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Regulations

TITLE 7—AGRICULTURE

Chapter I—Production and Marketing Administration (Standards, Inspections, Marketing Practices)

Subchapter C—Regulations Under the Farm Products Inspection Act and the Agricultural Marketing Act of 1946

PART 52—PROCESSED FRUITS, VEGETABLES AND OTHER PRODUCTS (INSPECTION, CERTIFICATION AND STANDARDS)

CROSS REFERENCE: For notice of proposed rule making under this part, see F. R. Doc. 46-21073, Department of Agriculture, Production and Marketing Administration, in Notices section, *infra*.

PART 53—MEATS, PREPARED MEATS, AND MEAT PRODUCTS (GRADING AND CERTIFICATION, AND STANDARDS)

Pursuant to the authority vested in the Secretary of Agriculture by the Farm Products Inspection item recurring in the annual appropriation acts for the United States Department of Agriculture, and the Agricultural Marketing Act of 1946 (Title II, Pub. Law 733, 79th Cong., 7 U. S. C. and Sup. 414), the standards for grades of carcass beef, of veal and calf carcasses, and of lamb carcasses and yearling mutton and mutton carcasses, heretofore adopted under said Farm Products Inspection item as the official United States standards for grades of such carcasses, are hereby ordered to be amended and published as follows:

Sec.
53.101 Definition of terms.
53.102 Application of standards for grades of carcass beef.
53.103 Standard grades for carcass beef.
53.104 Specifications for official United States standards for grades of carcass beef (steer, heifer, and cow).
53.105 Specifications for official United States standards for grades of bull beef carcasses.
53.106 Specifications for official United States standards for grades of stag beef carcasses.
53.107 Market groups of veal carcasses.
53.108 Veal carcass schedule.
53.109 Market groups of calf carcasses.
53.110 Calf carcass schedule.
53.111 Factors in grading veal and calf carcasses.
53.112 Specifications for official United States standards for grades of veal carcasses.
53.113 Specifications for official United States standards for grades of calf carcasses.
53.114 Factors in grading lamb and mutton carcasses.
53.115 Specifications for official United States standards for grades of lamb carcasses.
53.116 Specifications for official United States standards for grades of yearling mutton carcasses.
53.117 Specifications for official United States standards for grades of mutton carcasses.

AUTHORITY: §§ 53.101 to 53.117, inclusive, issued under Title II, Pub. Law 733, 79th Cong.; 7 U. S. C. and Sup. 414.

§ 53.101 *Definition of terms.* For the purpose of § 53.107 to 53.117, inclusive, the following terms shall be construed, respectively, to mean:

(a) *Veal carcass.* A veal carcass is one which is derived from an immature, milk-fed, bovine animal usually not over three months of age.

(b) *Calf carcass.* A calf carcass is one which is derived from an immature, bovine animal which for a considerable time has susbsisted in part or entirely on feeds other than milk.

(c) *Lamb carcass.* A lamb carcass is one derived from young animals of the ovine species of either sex. The maximum age limit is approximately 12 months.

(d) *Yearling mutton carcass.* A yearling mutton carcass is one derived from an animal of the ovine species of either sex that has passed the lamb age and has lost to an appreciable extent the characteristics which are peculiar to lamb, but has not reached, at time of slaughter, that state of maturity when it could be properly classed as mutton. The age limits for this group are from 12 to 24 months.

(e) *Mutton carcass.* A mutton carcass is one derived from a mature animal of the ovine species of either sex. The minimum age of sheep which produce

(Continued on p. 13997)

CONTENTS

REGULATIONS AND NOTICES

Page

AGRICULTURE DEPARTMENT:
Beans, canned dried, grading and certification; proposed rules 13995, 14054
Livestock and meats; termination of certification (WFO 139, Termination) 14012
Meats, prepared meats, and meat products, grading and certification, and standards; revision of regulations 13995
Milk handling:
Cincinnati, Ohio, area 14011
Greater Kansas City area 14005
Tobacco, national marketing quota, 1947–48 marketing year:
Dark air-cured 14005
Fire-cured 14004

ALIEN PROPERTY, OFFICE OF:
Vesting orders, etc.:
Fischl, Anna Joest 14048
Halm, Fred 14044
Loeffler, Emma 14049
Mitsui Bussan Kaisha, Ltd. et al 14047
Mory, Henry 14050
Petry, Karl Otto 14048
Pfeifer, Rudolph 14045
Pinkert, Martha, et al 14052
Richter, Johannes, A. G. and Walther Richter 14051
Rumpf, Fritz Max Albert 14046
Rumpf, Hannie, et al 14046
Schafer, Bernhardine 14049
Schwarzmann, Hermann 14052
Seibicke, Otto 14053
Somfleth, Charlotte Hinck et al 14051
Taggesell, Anna E. T 14053
Tajima, Shigeji 14047

CIVILIAN PRODUCTION ADMINISTRATION:
Priorities system operation; surplus copper and copper base alloy scrap:
Disposal by War Assets Administration (PR 13, Revocation of Dir. 19) 14012
Sale by U. S. Army, Navy or Maritime Commission (PR 13, Dir. 22) 14012

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CONTENTS—Continued

INTERSTATE COMMERCE COMMISSION: Page
Coal, bituminous:
Baltimore, Md. (2 documents) 14057
Hampton Roads, Va. (7 documents) 14055, 14056
South Amboy, N. J. (4 documents) 14057, 14058
Staten Island, N. Y. 14057
System of accounts, uniform, for persons furnishing cars or protective services against heat or cold 14020
Postponement of effective date 14044
MARITIME COMMISSION:
Determinations of ownership:
"E. M. Dalgas" 14060
"Georgia" 14061
"P. N. Damm" 14060
"Tunis" 14061

CONTENTS—Continued

MARITIME COMMISSION—Con. Page
Rules and regulations, forms, and citizenship requirements; charter of war-built vessels to citizens 14020
PRICE ADMINISTRATION, OFFICE OF:
Bases, distribution to certain former members of armed forces (Rev. Gen. RO 18, Am. 3) 14019
Carriers, common, and other public utilities; notice of increases in rates and charges (Rev. Procedural Reg. 11) 14018
Defense rental areas:
Hotels and rooming houses (Am. 100) 14013
Housing (Am. 107) 14013
Ration banking; banks (Gen. RO 3, Am. 15) 14019
Rationing and priorities suspension orders, procedure for issuance, and determination of violations (2d Rev. Procedural Reg. 4) 14014
Regional and district office orders; firewood in Bend, Oreg., area 14058
SECURITIES AND EXCHANGE COMMISSION:
Hearings, etc.:
Arkansas-Missouri Power Corp 14059
Bankers Securities Corp 14059
New England Gas and Electric Assn 14059
VETERANS' ADMINISTRATION:
State cooperating agencies and others, operations; determination of entitlement 14019
WAGE AND HOUR DIVISION:
Organization (Corr.) 14012
WAR ASSETS ADMINISTRATION:
Strategic and critical material, stock piling; report by Reconstruction Finance Corporation 14019
WAR DEPARTMENT:
Agencies dealing with public, organization, functions and procedures; Transportation Corps 14012

CODIFICATION GUIDE

A numerical list of the parts of the Code of Federal Regulations affected by documents published in this issue. Proposed rules, as opposed to final actions, are identified as such in parentheses.

TITLE 7—AGRICULTURE: Page
Chapter I—Production and Marketing Administration (Standards, Inspections, Marketing Practices):
Part 52—Processed fruits, vegetables, and other products (inspection, certification, and standards) (proposed) 13995, 14054
Part 53—Meats, prepared meats, and meat products (grading and certification, and standards) 13995

CODIFICATION GUIDE—Continued

TITLE 7—AGRICULTURE—Con. Page
Chapter VII—Production and Marketing Administration (Agricultural Adjustment):
Part 726—Fire-cured and dark air-cured tobacco (2 documents) 14004, 14005
Chapter IX—Production and Marketing Administration (Marketing Agreements and Orders):
Part 913—Milk in Greater Kansas City 14005
Part 965—Milk in Cincinnati, Ohio 14011
Chapter XI—Production and Marketing Administration (War Food Distribution Orders):
Part 1410—Livestock and meats 14012
TITLE 10—ARMY: WAR DEPARTMENT:
Subtitle A—Organization, functions and procedures:
Part 2—Organization, functions and procedures of agencies dealing with public 14012
TITLE 29—LABOR:
Chapter V—Wage and Hour Division:
Part 500—Organization 14012
TITLE 32—NATIONAL DEFENSE:
Chapter IX—Civilian Production Administration:
NOTE: Regulations and orders appearing under this chapter are listed only in the Table of Contents, *supra*.
Chapter XI—Office of Price Administration:
NOTE: Regulations and orders appearing under this chapter are listed only in the Table of Contents, *supra*.
Chapter XXIII—War Assets Administration:
Part 8317—Stock piling of strategic and critical materials 14019
TITLE 38—PENSIONS, BONUSES AND VETERANS' RELIEF:
Chapter I—Veterans' Administration:
Part 36—Regulations under Servicemen's Readjustment Act, 1944 14019
TITLE 46—SHIPPING:
Chapter II—Maritime Commission:
Part 299—Merchant Ship Sales Act, 1946 14020
TITLE 49—TRANSPORTATION AND RAILROADS:
Chapter I—Interstate Commerce Commission:
Part 24—Uniform system of accounts for persons furnishing cars or protective services against heat or cold (2 documents) 14020, 14044

mutton is approximately 24 months at the time of slaughter. Wether mutton is derived from males of the ovine species which were castrated early in life before any marked sexual characteristics other than the distinguishing glands had developed. Ewe mutton is derived from females of the ovine species which were at least 20 months old at time of slaughter. In most instances the animal has lambed one or more times. Buck mutton is derived from uncastrated males of the ovine species which at time of slaughter had developed sexual characteristics other than the distinguishing glands.

§ 53.102 *Application of standards for grades of carcass beef.* The standards as amended permit the grading and stamping of beef from steers, heifers, and cows according to its characteristics as beef without sex identification. Such beef placed within each respective grade, therefore, shall possess the characteristics specified for that grade, irrespective of the sex of the animal from which it was derived.

Beef produced from bulls and stags shall be graded according to its characteristics as bull beef and as stag beef in accordance with the grade standards herein set forth and designated for bull-beef carcasses and for stag-beef carcasses, respectively. When graded and identified according to grade such beef shall be identified also for class as "Bull" beef or "Stag" beef as the case may be. No designated grade of bull beef or of stag beef is comparable in quality with a similarly designated grade of beef derived from steers, heifers, or cows. Neither is the quality in a designated grade of bull beef comparable with a similarly designated quality of stag beef.

The following standards for grades apply to beef from cattle that are beyond the calf stage but are of approximately average market age. It is recognized also that the degrees of finish and marbling, as well as of other characteristics, relate to some extent to the age of the animal from which the beef was produced. For instance, somewhat less finish and less extensive marbling than those specified in the grade descriptions are permitted in beef of each respective grade produced from young cattle, provided the degree of perfection in conformation and in the character of the lean and fat in such beef meets the requirements for the grade. Likewise, somewhat more finish and more extensive marbling in the lean than those specified are required in beef produced from older cattle. Consideration should be given to the weight of a beef carcass and to its evident degree of maturity when evaluating the influence of the degrees of finish and marbling on its grade.

All carcass beef and beef cuts possess each of the three grade characteristics or factors—quality, finish, and conformation—in varying degrees. A range of variation with respect to each of the three grade factors is therefore included within each grade. The standards are intended to describe only the characteristics of carcass beef and of wholesale beef cuts that are representative of the midpoint of each grade. It is recognized that there will be included within the limits of each grade, carcasses and cuts that are either superior or inferior to those described as representative of the grade. Grade is determined on the basis of a composite evaluation of these three factors, and a carcass or cut of beef placed within any grade may possess some characteristics that are like those in another grade but the total of its inherent characteristics or properties determines the grade into which it should be placed.

The following grade descriptions are defined primarily in terms of carcass beef. They are applicable also to wholesale cuts. It is recognized, however, that some of the wholesale cuts produced from a carcass which may be near the limits of the grade may not be of the same grade as that of the carcass from which they were produced. An evaluation of the degrees of quality, finish, and conformation shall determine the correct grade for such wholesale cuts.

§ 53.103 *Standard grades for carcass beef.* There are seven grades for beef from steers and heifers, five grades for beef from cows, and six grades for beef from bulls and stags. These are listed in the following schedule of grades.

SCHEDULE—STANDARD MARKET CLASSES AND GRADES FOR DRESSED BEEF

Class:	*Grade*
Steer and heifer	Prime.
	Choice.
	Good.
	Commercial.
	Utility.
	Cutter.
	Canner.
Cow	Good.
	Commercial.
	Utility.
	Cutter.
	Canner.
Bull and stag	Choice.
	Good.
	Commercial.
	Utility.
	Cutter.
	Canner.

§ 53.104 *Specifications for official United States standards for grades of carcass beef (steer, heifer, and cow).* (a) Prime grade beef carcasses and wholesale cuts shall be very blocky and compact. Extremely thick fleshing throughout is an essential requirement for this grade. Loins and ribs shall be very thick and full. The rounds shall be very plump and the plumpness shall extend well down toward the hock joints. Chucks shall be very short and thick, and the neck and shanks shall be very short. The fat covering shall be smooth and proportionately uniform, and shall extend over the entire exterior surface of the carcass. The interior fat shall be abundant in the pelvic cavity and over the kidney. The protrusion of fat between the chine bones shall be liberal and the "overflow" of fat over the inside of the ribs shall be abundant and evenly distributed. The intermingling of fat with the lean meat in evidence between the ribs, called feathering, shall be very extensive. Both the interior and the exterior fat shall be firm, brittle, somewhat waxy, and of a white or creamy white color. The cut surface of the lean muscle shall be very firm, and possess a smooth velvety appearance. It shall be extensively and uniformly marbled. The color shall be uniform and bright and may range from a pale red to deep blood red. The bones shall be relatively soft and red, terminating in soft pearly white cartilages.

Only beef produced from beef-type cattle that show an exceptionally high degree of perfection in breeding and feeding will qualify for this grade. Beef produced from either steers or heifers may qualify for the Prime grade. Beef produced from cows is not eligible for this grade.

(b) Choice grade beef carcasses and wholesale cuts shall be relatively blocky and compact and thickly fleshed throughout. Loins and ribs shall be thick and full. The rounds shall be plump. The chucks shall be short and thick, and the neck and shanks short. The fat covering shall be fairly smooth and uniform, and shall extend over the entire exterior surface of the carcass. The interior fat shall be abundant in the pelvic cavity and over the kidney. The protrusion of fat between the chine bones shall be fairly liberal and the "overflow" of fat over the inside of the ribs shall be distinctly in evidence and fairly evenly distributed. The intermingling of fat with the lean in evidence between the ribs, called feathering, shall be extensive. Both the interior and the exterior fat shall be firm, brittle, and somewhat waxy, but may be slightly wavy or rough. The fat is usually white or creamy white but a slight yellowish tinge will not exclude beef from this grade, provided the character of the fat meets the requirements for the grade in other respects. The cut surface of the lean muscle shall be firm and possess a smooth velvety appearance. It shall be well marbled and the marbling shall be relatively extensive, especially in the heavier carcasses. The color shall be uniform and bright and may range from a pale red to deep blood red. The bones are usually soft and red, terminating in soft pearly white cartilages but some ossification of the cartilages and hardening in the bone as indicated by a tinge of whiteness will not disqualify beef produced from mature cattle from this grade.

Only beef produced from beef-type steers and heifers that show a relatively high degree of perfection in breeding and feeding will qualify for the Choice grade. Beef produced from cows is not eligible for this grade.

(c) Good grade beef carcasses and wholesale cuts shall be moderately blocky and compact and shall be moderately thick-fleshed throughout. A tendency for the loins and ribs to be slightly flat and for the rounds to be slightly flat and to taper toward the shank is permitted. Chucks and neck may be only moderately short and thick and shanks may be only moderately short. The fat covering shall extend well over the exterior surface but may show a moderate degree of waste or patchiness, particularly in heavy mature beef. The interior fat shall be fairly plentiful in the pelvic cavity and around the kidney. There is usually a slight protrusion of fat between

the chine bones. The "overflow" of fat over the inside of the ribs may be apparent to a slight extent. A limited amount of intermingling of fat with the lean between the ribs, called feathering, shall be in evidence. Both the interior and the exterior fat are usually fairly firm and brittle. The quantity of fat required of beef within this grade will vary within relatively wide limits dependent upon the age and class of cattle from which it is produced. That produced from light-weight steers and heifers which were slaughtered when relatively young may have a relatively thin exterior fat covering and only a moderate quantity of interior fat, whereas that produced from heavier, older cattle may possess a relatively thick exterior fat covering and fairly heavy interior fat deposits in the pelvic cavity, over the kidney, and on the inside of the forequarters. The fat is usually creamy white but it may possess a distinctly yellowish tinge. The cut surface of the lean muscle may be only moderately firm and smooth and velvety in appearance. Beef within this grade will show a relatively wide range of marbling. That produced from young cattle may show only a limited degree of marbling which is apparent only in the thicker cuts whereas that produced from the older, more mature cattle shall show rather extensive marbling throughout. The color is usually uniform and bright but may be slightly two-toned or slightly shady. It usually ranges from a light red to a slightly dark red. The bone will range from soft and red in light-weight beef produced from young cattle to a relatively hard bone that is tinged with white in the beef produced from older, more mature cattle. It is, however, necessary that the chine bone show cartilages, termed "buttons," in order to qualify for this grade.

Beef produced from steers, heifers, and relatively young well-finished beef-type cows may qualify for the Good grade.

(d) Commercial grade beef carcasses and wholesale cuts may be somewhat rangy, angular, and irregular in conformation and the fleshing may be slightly thin throughout. Loins and ribs tend to be flat and somewhat thinly fleshed. The rounds are relatively long, flat, and tapering. Chucks are usually slightly flat and thinly fleshed. The neck is somewhat long and thin and the shanks somewhat long and tapering. The quantity of fat required of beef within this grade will vary within wide limits dependent upon the age and class of cattle from which it is produced. That produced from relatively young lightweight steers and heifers that were slaughtered when relatively young may have a thin exterior fat covering that does not extend over the round or chucks and a relatively small quantity of interior fat. In such beef there will be practically no protrusion of fat between the chine bones and there will be no "overflow" of fat on the inside of the ribs and no feathering between the ribs. Beef produced from heavier, older cattle, and particularly from mature animals, will possess a moderately thick exterior fat covering that may be uneven and wasty, and fairly heavy interior fat deposits in the pelvic cavity, over the kidney, and on the inside of the forequarters. The fat may be slightly yellow, somewhat soft, and slightly oily. The cut surface of the lean muscle may be somewhat soft and watery in beef produced from younger cattle, but in that produced from older cattle it is usually firm but is also usually coarse. Beef within this grade produced from yearling cattle will have little if any marbling whereas that produced from mature cattle, and particularly cows, will show a moderate degree of marbling through the thicker cuts. The color may be two-toned or shady and usually ranges from a light red to a dark red. The character of the bone will vary from fairly soft and red in the beef produced from the young cattle to white and hard in that produced from mature cattle.

Beef produced from steers, heifers, and cows may qualify for the Commercial grade.

(e) Utility grade beef carcasses and wholesale cuts may be decidedly rangy, angular, and irregular in conformation. The fleshing is usually thin. The loins and ribs are flat and thinly fleshed. The rounds are long, flat, and tapering. The chucks are flat and thinly fleshed. The neck and shanks are long and tapering. The hip and shoulder joints are prominent. The degree of fat covering varies from very thin in beef produced from young steers and heifers to a slightly thick covering that may be somewhat uneven in beef produced from cattle that are more or less advanced in age. The quantity of interior fat varies from very little in beef that is produced from young and immature steers and heifers to a moderate quantity in that produced from mature cattle. The fat is usually soft and varies in color from a grayish white to decidedly yellow. The cut surface of the lean muscle is usually soft and watery in the beef produced from younger cattle but in that produced from more mature cattle it is usually fairly firm but coarse. The beef in this grade will show practically no marbling except in that produced from aged cattle which may show a little marbling in the thicker cuts. The color may be two-toned or shady and usually ranges from a light red to a very dark red. The bone is usually hard and white.

The Utility grade of beef may be produced from steers, heifers, or cows.

(f) Cutter grade beef carcasses and wholesale cuts may be very rangy, angular, and irregular in conformation and very thinly fleshed throughout. The loins and ribs are very flat, thin, and shallow. The rounds are very long, flat, and tapering. The chucks are very flat, thin, and shallow. The neck and shanks are very long and tapering. The hip and shoulder joints are very prominent. The degree of exterior fat covering may vary from a very thin covering that is confined almost entirely to the ribs and loins in the beef produced from younger cattle to a thin, more extensive covering in the beef produced from mature cattle. The interior fat is confined largely to the pelvic cavity and the kidney and may vary from a very small quantity, if any, in these parts in beef produced from younger cattle to a limited quantity in that produced from mature cattle. The color of both the interior and the exterior fat may vary from grayish white to a deep yellow. The cut surface of the lean muscle shows no marbling, is coarse, and is usually soft and watery. The color may be two-toned or shady and usually ranges from a slightly dark red to a very dark red. The bone is usually hard and white.

The Cutter grade of beef may be produced from steers, heifers, and cows. That produced from cows constitutes a relatively large percentage of the beef eligible for this grade.

(g) Canner grade beef carcasses and wholesale cuts shall be extremely rangy, angular, and irregular in conformation and extremely thinly fleshed throughout. All cuts are extremely thinly fleshed. Loins and ribs are extremely thin, flat, and shallow. The rounds are very long, flat, and tapering, and the chucks are extremely thin, flat, and shallow. The neck and shanks are extremely long and the hips and shoulder joints are extremely tapering. Beef of this grade is practically devoid of both interior and exterior fat. The outside surface usually has a very dark appearance. The cut surface of the lean muscle is usually coarse and is soft and watery in appearance. It shows no marbling. The color may be two-toned or shady and usually ranges from a moderately dark red to an extremely dark red or brownish black. The bones are nearly always hard and white.

A very large percentage of the beef of the Canner grade is produced from mature cows that are somewhat advanced in age.

§ 53.105 *Specifications for official United States standards for grades of bull beef carcasses.* There are six grades of bull carcasses: Choice, Good, Commercial, Utility, Cutter, and Canner.

(a) Choice grade bull beef carcasses have excellent quality, finish, and conformation for the class. Rounds, chucks, and neck are thick and are very heavily muscled. Loins and ribs are broad but tend to shallowness and are relatively small in proportion to the rest of the carcass. The exterior surface is well covered with fat which, although rough, is not gobby or excessively deep at any point. Interior fats are plentiful but are somewhat lacking in firmness and brittleness. Usually such carcasses are derived from young, well-fed bulls, although sometimes carcasses of older bulls meet the requirements of this grade. The flesh generally is of a medium dark red color, firm but comparatively dry.

(b) Good grade bull beef carcasses have good quality, finish, and conformation for the class. Rounds, chucks, and neck are thick and heavily muscled. Loins and ribs are relatively small in proportion to the rest of the carcass and are somewhat flat. The general outline is somewhat rough and irregular. Except for the shanks, neck, lower rounds, and shoulders, exterior surfaces generally are covered with a rough but relatively thin layer of fat. Interior fats are in moderate supply. All fats are somewhat soft and may be slightly oily. Flesh generally is medium dark red in color, moderately firm, and dry.

(c) Commercial grade bull beef carcasses possess average quality, finish, and conformation for the class. Rounds, chucks, and neck are thick and full. Loins are relatively thin and flat or sunken. Ribs are moderately thin. Exterior fats are scant and unevenly distributed and generally appear only in spots over the back and rump. Interior fats are likewise scant, with small quantities in the crotch and around the kidneys. The flesh is moderately firm, but usually very dry. Its color varies from dark red to light brown.

(d) Utility grade bull beef carcasses, although fairly well developed in the rounds and chucks, are deficient in these respects as compared with the higher grades. Such a carcass generally is rough in conformation. Loins are very thin or sunken and ribs are flat and thin. Exterior fats generally are lacking, although small quantities may be found on the back and rump. As a rule, interior fats are absent, although slight traces may be found around the kidneys. The flesh is dry and very dark.

(e) Cutter grade bull beef carcasses have poor quality and conformation with practically no visible finish. The general outlines are very uneven. Loins and ribs are very flat and thin. Hip and shoulder bones and ribs are very prominent. Generally there are no exterior or interior fats. Flesh, though relatively dry, is inclined to be soft. Its color is dark red to light brown.

(f) Canner grade bull beef carcasses have extremely poor quality and conformation. Visible finish is generally absent. A carcass of this grade is extremely thin in all parts. Rounds and chucks are thin; loins and ribs are very thin and flat or sunken. There are no exterior or interior fats. Flesh is soft and dark.

§ 53.106 *Specifications for official United States standards for grades of stag beef carcasses.* There are six grades of stag beef carcasses: Choice, Good, Commercial, Utility, Cutter, and Canner.

(a) Choice grade stag beef carcasses have excellent quality, finish, and conformation for the class. Rounds are thick, full, and bulging. Loins and ribs are moderately thick, and chucks are thick and heavily fleshed. Necks are moderately short and thick. The exterior fat covering of the carcass, although slightly rough, generally extends well over the carcass. Interior fats are plentiful in the crotch and on the breast, and the kidneys, as a rule, are well covered. Flesh is firm and fine grained for the class and shows some intermixture of fat along the muscle seams. Its color varies from medium to dark red.

(b) Good grade stag beef carcasses have good quality, finish, and conformation for the class. Rounds are moderately thick and full; loins and ribs are fairly well-proportioned and have moderate depth of flesh. Chucks are thick and necks are moderately thick and short. Except on shanks, neck, lower rounds, and shoulders, a carcass of this grade is fairly well covered with a thin layer of fat. Interior fats generally are in moderate supply but may be slightly deficient. The flesh is firm, moderately fine grained, and varies from medium to dark red in color.

(c) Commercial grade stag beef carcasses have fair quality, finish, and conformation. Rounds, although somewhat full and thick, are inclined to be tapering. Loins are flat and ribs are somewhat thin. Chucks are broad and relatively thin. Exterior fats are unevenly distributed and generally appear as a thin layer over the back and in thin patches on the rump and shoulders. Interior fats are somewhat scant and kidneys are generally only partially covered. The flesh is usually slightly soft and moist. Its color varies from medium to dark red.

(d) Utility grade stag beef carcasses have poor quality, finish, and conformation. Rounds are thin and tapering. Loins are thin, flat, or slightly sunken. Ribs are thin and chucks are broad and thin. Both exterior and interior fats are scant. Thin patches of fat are usually found along the back and on the shoulders. Small quantities usually are found in the crotch and around the kidneys. Flesh is soft, moist, and dark colored.

(e) Cutter grade stag beef carcasses are decidedly deficient in quality, finish, and conformation. Rounds are thin, long, and tapering. Loins are very flat or sunken, and ribs are flat and very thin. Chucks and plates are broad and thin. All bones are prominent because of deficient flesh and fat covering. Except for very small patches along the back and around the kidneys, visible fats are absent. The flesh is soft, watery, and dark colored. This grade is seldom found on the markets.

(f) Canner grade stag beef carcasses are extremely dificient in quality, finish, and conformation. All bones are very prominent. Rounds are extremely thin and sharply tapering. Loins are also extremely thin and dished or sunken. Ribs, chucks, and plates are very thin. No visible exterior or interior fats are present. The flesh is dark, soft, and watery. This grade is rarely found on the markets.

§ 53.107 *Market groups of veal carcasses.* Largely because veal is derived from relatively very young animals such carcasses are not sorted into so many market groups as are carcasses derived from older and more mature animals.

(a) *Classes.* Classes of carcasses are based on the sex condition of the animals which produce them. Hence, there are three classes of veal carcasses: Steer, heifer, and bull. But because veal carcasses are derived from very young animals, sex condition has not had time to exert an important influence on the conformation, finish, or quality of the animal or its carcass, and these animals are so young that very few of the males are castrated prior to slaughter. This practically eliminates the steer-veal class. For these reasons, in market practice, veal carcasses are not segregated into classes.

(b) *Weight selections.* Weight is an important consideration in marketing veal carcasses and for that reason such carcasses are divided into three weight groups—lightweight, medium weight, and heavyweight.

(c) *Grades.* Grading is the most important segregation of veal carcasses which is made during the process of marketing. Hence, such carcasses are divided into six grades ranging from Prime or No. A1 to Cull or No. 5.

§ 53.108 *Veal carcass schedule.*

Classes	Weight selections [1]	Grades
Steer, heifer, bull	Lightweight: 70 pounds down	Choice or No. 1. Good or No. 2. Commercial or No. 3. Utility or No. 4. Cull or No. 5.
	Medium weight: 70 to 110 pounds	Prime or No. A1. Choice or No. 1. Good or No. 2. Commercial or No. 3. Utility or No. 4.
	Heavyweight: 110 pounds up	Prime or No. A1. Choice or No. 1. Good or No. 2. Commercial or No. 3.

[1] These weights are "skin off." To obtain "skin on" weights 10 percent is added. In wholesale trade many veal carcasses are sold "skin on."

§ 53.109 *Market groups of calf carcasses.* Veal carcasses are never sorted into classes on the market but calf carcasses sometimes are sorted. As a rule calf carcasses are derived from animals which are somewhat older than those that produce veal. Some of the older members of the calf group make a fairly near approach to maturity. In such instances the sex condition of the animal has had time to exert some influence on its conformation, finish, and quality, and on that of its carcass. Hence, calf carcasses are sometimes sorted, bought, and sold on the basis of the class they represent.

(a) *Classes.* There are three classes of calf carcasses: Steer, heifer, and bull. Despite the fact that these classes are recognized on the market, the differences between calf carcasses of the various classes usually are so slight that it is almost impossible to describe accurately those differences in words. For that reason the Department of Agriculture has not felt justified in setting up separate grade standards for each class. It should be understood, therefore, that the grade standards which follow are applicable to all classes of calf carcasses.

(b) *Weight selections.* There are three weight selections of calf carcasses: Lightweight, mediumweight, and heavyweight.

(c) *Grades.* Grading is the most important segregation to which such carcasses are subjected in the process of marketing. Six grades are listed, ranging from Prime or No. A1 to Cull or No. 5.

§ 53.110 *Calf carcass schedule.* The following schedule sets forth in graphic form the important groups into which calf carcasses are normally sorted and indicates the relationships which exist between the various groups.

CALF CARCASS SCHEDULE

Classes	Weight selections [1]	Grades
Steer	Lightweight—110 pounds down.	Good or No. 2. Commercial or No. 3. Utility or No. 4. Cull or No. 5.
	Medium weight—110 to 165 pounds.	Choice or No. 1. Good or No. 2. Commercial or No. 3. Utility or No. 4. Cull or No. 5.
	Heavyweight—165 pounds up.	Prime or No. A1. Choice or No. 1. Good or No. 2. Commercial or No. 3. Utility or No. 4.
Heifer	Lightweight—110 pounds down.	Good or No. 2. Commercial or No. 3. Utility or No. 4. Cull or No. 5.
	Medium weight—110 to 165 pounds.	Choice or No. 1. Good or No. 2. Commercial or No. 3. Utility or No. 4. Cull or No. 5.
	Heavyweight—165 pounds up.	Prime or No. A1. Choice or No. 1. Good or No. 2. Commercial or No. 3. Utility or No. 4.
Bull	Lightweight—110 pounds down.	Good or No. 2. Commercial or No. 3. Utility or No. 4. Cull or No. 5.
	Medium weight—110 to 165 pounds.	Choice or No. 1. Good or No. 2. Commercial or No. 3. Utility or No. 4. Cull or No. 5.
	Heavyweight—165 pounds up.	Choice or No. 1. Good or No. 2. Commercial or No. 3. Utility or No. 4.

[1] These weights are "skin off." To obtain "skin on" weights, 10 percent is added. Many carcasses from very young calves are sold "skin on" in wholesale trade, whereas those from older and heavier calves are usually sold "skin off," in sides.

§ 53.111 *Factors in grading veal and calf carcasses.* The system of grading veal and calf carcasses, of which the following standards are a part, is based on the three grade factors: Conformation, finish, and quality.

(a) Conformation is the form, shape, outline, or contour of the carcass. It ranges from the smooth, plump, well-rounded, well-proportioned conformation of the most highly developed carcass yet produced to the rough, rugged, irregular, disproportioned conformation of the thinnest, boniest, most poorly bred carcass produced.

(b) Finish is fat and includes the fat which appears on the outer surface of the carcass, on the inner walls of the chest and abdomen, around the kidneys and the seams of fat which sometimes lie between the larger muscles. Finish involves not only the quantity of fat but its quality and distribution. Finish ranges from that of the carcass which is almost completely covered both inside and outside with a smooth layer of firm fat, to that of the carcass which is totally lacking in discernible fat.

(c) Quality consists largely in characteristics of the flesh. It includes texture, tenderness, juiciness, flavor, and color. Quality also involves ratios or proportions of flesh to bone and of fat to lean meat, and the distribution of fat through the muscle tissues, commonly known as marbling. Quality, therefore, ranges from that of the small-boned, heavily fleshed, highly finished, well-proportioned carcass possessing a very high degree of tenderness, juices, and flavor and very fine fiber or texture, to that of the very large-boned, thinly fleshed, ill-proportioned carcass with an extremely low degree of tenderness, juiciness, and flavor and extreme coarseness in texture.

§ 53.112 *Specifications for official United States standards for grades of veal carcasses.* There are six grades of veal carcasses: Prime or No. A1, Choice or No. 1, Good or No. 2, Commercial or No. 3, Utility or No. 4, and Cull or No. 5.

(a) *Prime or No. A1.* A Prime or No. A1 veal carcass very nearly approaches the ideal in conformation, finish, and quality.

In general shape or outline it is very blocky and compact. It is very broad and deep in proportion to its length. All parts are very thickly fleshed, each part having its proper proportionate thickness. Because of the thickness of fleshing the carcass presents a very plump, full, well-rounded appearance. The different parts are developed and balanced in such a way as to result in a very high proportion of back, loin, and round combined.

The shanks are very short and thick. Rounds are very thick and bulging. Loin and back are very full and plump. Shoulders and breasts are very broad and thick. The neck is very short and thick.

There is a slightly thin covering of fat over the rump, loin, back, top of the shoulders, and over the inner walls of the chest and abdomen. There are large deposits of fat in the breast, flanks, and crotch, and around the kidneys. All exterior fat is very smooth. The color of fat is a creamy white tinged with pink.

The flesh ranges from light gray to pinkish brown in color, is very firm, fine-grained and, in a cut surface, is velvety to sight and touch. All bones are very small in proportion to the size and weight of the carcass and are very soft and red.

(b) *Choice or No. 1.* A Choice or No. 1 grade veal carcass is markedly superior in conformation, finish, and quality.

In general shape or outline it is blocky and compact. It is broad and deep in proportion to its length. All parts are thickly fleshed, each part having its proper proportionate thickness. Because of the thickness of fleshing the carcass presents a plump, full, well-rounded appearance. The different parts are developed and balanced in such a way as to result in a high proportion of back, loin, and round combined.

The shanks are short and thick. Rounds are thick and bulging. Loin and back are full and plump. Shoulders and breasts are broad and thick. The neck is short and thick.

There is a thin covering of fat over the rump, loin, back, and top of the shoulders, and over the inner walls of the chest and abdomen. There are moderately large deposits of fat in the breast, flanks, and crotch, and around the kidneys. All exterior fat is smooth. The color of fat is a creamy white tinged with pink.

The flesh ranges from light gray to pinkish brown in color. It is firm, fine-grained and, in a cut surface, is velvety to sight and touch. All bones are small in proportion to the size and weight of the carcass and are soft and red.

(c) *Good or No. 2.* A Good or No. 2 veal carcass possesses a moderately high degree of conformation, finish, and quality.

In general shape or outline it tends to be blocky and compact. It is moderately broad and deep in proportion to its length. All parts are moderately thick-fleshed each part having its proper proportionate thickness. Because of the thickness of fleshing, the carcass presents a moderately plump, full, well-rounded appearance. The different parts are developed and balanced in such a way as to result in a moderately high proportion of back, loin, and round combined.

The shanks are moderately short and thick. Rounds are moderately thick and bulging. Loin and back are moderately full and plump. Shoulders and breast are moderately broad and thick. The neck is moderately short and thick.

There is a very thin covering of fat over the loin and back and over the inner walls of the chest and abdomen. There are slightly small deposits of fat in the breast, flanks, and crotch, and around the kidneys. All exterior fat is moderately smooth. The color of fat is usually a creamy white. The flesh ranges from a pinkish brown to a light tan in color, is moderately firm, fine-grained and, in a cut surface, is moderately velvety but may be slightly moist to sight and touch. All bones are moderately small in proportion to the size and weight of the carcass and are moderately soft and red.

(d) *Commercial or No. 3.* A Commercial or No. 3 grade veal carcass is slightly deficient in conformation, finish, and quality.

In general shape or outline it is slightly rough and rangy. It is slightly narrow and shallow in proportion to its length. All parts are slightly deficient in flashing, each part being proportionately lacking in this respect. Because of the relative thinness of fleshing the carcass presents a slightly empty, sunken, or hollowed-out appearance. The different parts are developed and balanced in such a way as to result in a slightly low proportion of back, loin, and round combined.

The shanks are slightly long and thin. Rounds are slightly thin and tapering. Loins and back are slightly depressed. Shoulders and breast are slightly narrow and thin. The neck is slightly long and thin.

There are extremely thin patches of fat over the back and loin and over a portion of the inner walls of the chest and abdomen. There are very small deposits of fat in the breast, flanks, and crotch, and around the kidneys, the latter usually being incompletely covered. The color of fat is white but it lacks the pinkish tinge.

The flesh is usually pinkish brown in color, is slightly soft, is coarse-grained and, in a cut surface, it slightly moist to the touch. All bones are slightly large in proportion to the size and weight of

the carcass, are moderately soft but are slightly lacking in redness.

(e) *Utility or No. 4.* A Utility or No. 4 grade veal carcass is very deficient in conformation, finish and quality.

In general shape or outline it is very rough and rangy. It is very narrow and shallow in proportion to its length. All parts are very deficient in fleshing, each part being proportionately lacking in this respect. Because of the relative thinness of fleshing the carcass presents a very depressed or hollowed-out appearance. The different parts are developed and balanced in such a way as to result in a very low proportion of back, loin, and round combined.

The shanks are very long and thin. Rounds are very thin and tapering. Loin and back are very shallow and depressed. Shoulders and breast are very narrow and thin. The neck is very long and thin.

There is no fat covering over the back, loin, or inner walls of the chest and abdomen. Usually there are extremely small deposits of fat in the breast, flanks, and crotch, and around the kidneys. The color of the fat usually is grayish white tinged with yellow.

The flesh ranges from pinkish brown to dark tan in color, is soft, very coarse-grained and, in a cut surface, is very moist to the touch. All bones are large in proportion to the size and weight of the carcass, are moderately soft but are lacking in redness.

(f) *Cull or No. 5.* A Cull or No. 5 grade veal carcass is extremely deficient in conformation, finish, and quality.

In general shape or outline it is extremely rough and rangy. It is extremely narrow and shallow in proportion to its length. All parts are extremely deficient in fleshing, each part being proportionately lacking in this respect. Because of the relative thinness of fleshing the carcass presents an extremely shallow, depressed, or hollowed-out appearance. The different parts are developed and balanced in such a way as to result in an extremely low proportion of back, loin, and round combined.

The shanks are extremely long and thin. Rounds are extremely thin and tapering. Loin and back are extremely depressed. Shoulders and breast are extremely narrow and thin. The neck is extremely long and thin.

There is no fat covering over any part of the exterior of the carcass and none on the inner walls of the chest and abdomen. There are no discernible fat deposits in the breast, flanks, or crotch, and only extremely small quantities around the kidneys.

The flesh usually is reddish brown in color, is very soft, coarse-grained and watery. All bones are very large in proportion to the size and weight of the carcass and are decidedly lacking in softness and redness.

§ 53.113 *Specifications for official United States standards for grades of calf carcasses.* There are six grades of calf carcasses: Prime or No. A1, Choice or No. 1, Good or No. 2, Commercial or No. 3, Utility or No. 4, and Cull or No. 5.

(a) *Prime or No. A1.* A Prime or No. A1 grade calf carcass very nearly approaches the ideal in conformation, finish, and quality.

In general shape or outline it is very blocky and compact. It is very broad and deep in proportion to its length. All parts are very thickly fleshed, each part having its proper proportionate thickness. Because of the thickness of fleshing the lines of the carcass present a very plump, full, well-rounded appearance. The different parts are developed and balanced in such a way as to result in a very high proportion of back, loin, and round combined.

The shanks are very short and thick. Rounds are very thick and bulging. Loin and back are very full and plump. Shoulders and breasts are very broad and thick. The neck is very short and thick.

There is a thick covering of fat over the back and loin and a moderately thick fat covering over the rump and the top of the shoulders and over the inner walls of the chest and abdomen. There are large deposits of fat in the breast, flanks, and crotch, and around the kidneys. All exterior fat is very smooth and moderately firm. The color of the fat is white or slightly creamy.

The flesh ranges from a light tan to a reddish brown in color, is very firm, fine-grained and, in a cut surface, is velvety to sight and touch. All bones are very small in proportion to the size and weight of the carcass and are moderately soft and red.

(b) *Choice or No. 1.* A Choice or No. 1 grade calf carcass is markedly superior in conformation, finish, and quality.

In general shape or outline it is blocky and compact. It is broad and deep in proportion to its length. All parts are thickly fleshed, each part having its proper proportionate thickness. Because of the thickness of fleshing the lines of the carcass present a plump, full, well-rounded appearance. The different parts are developed and balanced in such a way as to result in a high proportion of back, loin, and round combined.

The shanks are short and thick. Rounds are thick and bulging. Loin and back are full and plump. Shoulders and breasts are broad and thick. The neck is short and thick.

There is a moderately thick covering of fat over the back and loin and a moderately thin fat covering over the rump and the tops of the shoulders and over the inner walls of the chest and abdomen. There are moderately large deposits of fat in the breast, flanks, and crotch, and around the kidneys. All exterior fat is moderately smooth. The color of the fat ranges from white to a creamy white.

The flesh usually is reddish brown in color, is firm and fine-grained. All bones are small in proportion to the size and weight of the carcass but are slightly lacking in redness.

(c) *Good or No. 2.* A good or No. 2 grade calf carcass possesses a moderately high degree of conformation, finish, and quality.

In general shape or outline it tends to be blocky and compact. It is moderately broad and deep in proportion to its length. All parts are moderately thick-fleshed, each part having its proper proportionate thickness. Because of the thickness of fleshing the lines of the carcass present a moderately plump, full, well-rounded appearance. The different parts are developed and balanced in such a way as to result in a moderately high proportion of back, loin, and round combined.

The shanks are moderately short and thick. Rounds are moderately thick and bulging. Loin and back are moderately full and plump. Shoulders and breast are moderately broad and thick. The neck is moderately short and thick.

There is a slightly thin covering of fat over the loin and back and over the inner walls of the chest and abdomen. There is a very thin fat covering over the rump and tops of the shoulders. There are moderate deposits of fat in the breast, flanks, and crotch and around the kidneys. The color of the fat usually is a creamy white.

The flesh ranges from reddish-brown to a pale red, is moderately firm, fine-grained and, in a cut surface, may be slightly moist to sight and touch. All bones are moderately small in proportion to the size and weight of the carcass and are only moderately red.

(d) *Commercial or No. 3.* A Commercial or No. 3 grade calf carcass is slightly deficient in conformation, finish, and quality.

In general shape or outline it is slightly rough and rangy. It is slightly narrow and shallow in proportion to its length. All parts are slightly deficient in fleshing, each part being proportionately lacking in this respect. Because of the relative thickness of fleshing, the lines of the carcass present a slightly depressed, sunken, or hollowed-out appearance. The different parts are developed and balanced in such a way as to result in a slightly low proportion of back, loin, and round combined.

The shanks are slightly long and thin. Rounds are slightly thin and tapering. Loins and back are slightly shallow and depressed. Shoulders and breast are slightly narrow and thin. The neck is slightly long and thin.

There are very small and thin patches of fat on the back and loin and extremely thin patches over the rump and the tops of the shoulders and on the inner walls of the chest and abdomen. There are small deposits of fat in the breast, flanks, and crotch, and around the kidneys, the latter usually being only partially covered. The color of the fat usually is a creamy white tinged with yellow.

The flesh usually is reddish brown in color, is slightly soft, coarse-grained and, in a cut surface, is slightly watery in appearance. All bones are slightly large in proportion to the size and weight of the carcass, and are markedly lacking in redness.

(e) *Utility or No. 4.* A Utility or No. 4 grade calf carcass is very deficient in conformation, finish, and quality.

In general shape and outline it is very rough and rangy. It is very narrow and shallow in proportion to its length. All parts are very deficient in fleshing, each part being proportionately lacking in this respect. Because of the relative thinness of the fleshing the lines of the carcass present a very depressed, sunken,

or hollowed-out appearance. The different parts are developed and balanced in such a way as to result in a very low proportion of back, loin, and round combined.

The shanks are very long and thin. Rounds are very thin and tapering. Loin and back are very shallow and depressed. Shoulders and breast are very narrow and thin. The neck is very long and thin.

There are extremely small and thin patches of fat on the back and loin with no discernible fat covering over the rump and the top of the shoulders or over the inner walls of the chest and abdomen. There are extremely small deposits of fat in the breast, flanks, and crotch, and around the kidneys. The fat usually has a decidedly yellow tinge.

The flesh usually is rather dark red in color, is soft, very coarse-grained, and is very moist and watery. All bones are very large in proportion to the size and weight of the carcass and are very lacking in redness.

(f) *Cull or No. 5.* A Cull or No. 5 grade calf carcass is extremely deficient in conformation, finish, and quality.

In general shape or outline it is extremely rough and rangy. It is extremely narrow and shallow in proportion to its length. All parts are extremely deficient in fleshing, each part being proportionately lacking in this respect. Because of the relative thinness of fleshing the lines of the carcass present an extremely depressed, sunken, or hollowed-out appearance. The different parts are developed and balanced in such a way as to result in an extremely low proportion of back, loin, and round combined.

The shanks are extremely long and thin. Rounds are extremely thin and tapening. Loins and back are extremely shallow and depressed. Shoulders and breast are extremely narrow and thin. The neck is extremely long and thin.

There is usually no visible exterior fat and the interior fat is limited to extremely small amounts in the crotch and around the kidneys.

The flesh usually is slightly dark red in color, is very soft, coarse-grained, and is very watery. All bones are extremely large in proportion to the size and weight of the carcass and extremely lacking in redness.

§ 53.114 *Factors in grading lamb and mutton carcasses.* The system of grading lamb carcasses, yearling mutton, and mutton carcasses of which the following standards are a part is based on the three factors—conformation, finish, and quality.

(a) Conformation is the form, shape, outline, or contour of the carcass. It ranges from the smooth, plump, well-rounded, well-proportioned conformation of the most highly developed carcass produced to the rough, rugged, irregular, disproportioned conformation of the thinnest, boniest, most poorly shaped carcass produced.

(b) Finish is fat, and includes the fat which appears on the outer surface of the carcass, on the inner walls of the chest and abdomen, around the kidneys, the seams of fat which sometimes lie between the larger muscles, and the distribution of fat through the muscle tissues. Finish involves not only the quantity of fat but its quality and distribution. Finish ranges from that of the carcass which is almost completely covered both inside and outside with a smooth layer of firm fat, to that of the carcass which is totally lacking in discernible fat.

(c) Quality is largely a characteristic of the flesh. It includes texture, tenderness, juiciness, flavor, and color. Quality also involves ratios or proportions of flesh to bone and of fat to lean meat. Quality, therefore, ranges from that of the small-boned, heavily fleshed, highly finished, well-proportioned carcass possessing a very high degree of tenderness, juiciness, and flavor, and very fine fiber or texture, to that of the very large-boned, thinly fleshed, ill-proportioned carcass with an extremely low degree of tenderness, juiciness, and flavor, and extreme coarseness in texture.

§ 53.115 *Specifications for official United States standards for grades of lamb carcasses.* Lamb carcasses are graded as Prime or No. A1, Choice or No. 1, Good or No. 2, Commercial or No. 3, Utility or No. 4, and Cull or No. 5.

(a) *Prime or No. A1.* Prime or No. A1 grade lamb carcasses are practically ideal in conformation, finish, and quality.

The general outlines of carcasses of this grade are especially attractive, being symmetrical to a marked degree, owing to an abundance of highest grade, palatable flesh, particularly in the regions of the most desired cuts. They are very compact and blocky, have short, thick plump legs, broad backs, thick, well-fleshed loins, ribs, and chucks, well-proportioned breasts, and full, thick flanks. All fats are firm and of excellent quality, but they are not brittle.

Both exterior and interior fats are white or slightly creamy in color and may be tinged with pink. The outer covering of fat is smooth, of moderate depth, evenly distributed over the back and sides, and is free from all bunchiness or excessive deposits. The fat covering is interspersed with strips of pink flesh over the sides and a more even distribution over the lower limits of the breasts and flanks. Interior fats are plentiful but not excessive or wasty, the kidneys being covered to a uniform depth. The lean flesh is firm in all parts, fine-grained, and the cut surfaces feel smooth and velvety to the touch. Its color is light pink. The bones are relatively small, soft, and tinged with blood. The break joints of the forelegs show four well-defined, relatively soft, spongy red ridges.

(b) *Choice or No. 1.* Choice or No. 1 grade lamb carcasses have excellent conformation, finish, and quality, but are usually slightly deficient in one or more respects as compared with Prime grade carcasses.

Choice grade carcasses are relatively short and compact, have short plump legs, broad thick backs, thick full loins, ribs, and chucks, short plump necks, and well-proportioned flanks and breasts. The general outlines resemble closely those of Prime grade carcasses. All fats are of good quality, white or slightly creamy. The outer covering of fat is smooth and usually well distributed, but may be deficient in this respect as compared with that on Prime grade carcasses. Loins and ribs are well covered with fat, which recedes to a moderately thin covering over hind legs and shoulders. The fat covering is interspersed with thin strips of pink flesh over the sides and a more even distribution over the lower limits of the breast and flanks. Interior fats are plentiful in the crotch and over the kidneys but not excessive. The flesh is fine-grained, firm, and has a light pink color. Bones are relatively small, soft, and tinged with blood. The break joint of the forelegs shows four smooth, moist, well-defined red-ridges.

(c) *Good or No. 2.* Good or No. 2 grade lamb carcasses have good conformation, finish, and quality, but are deficient in one or more respects as compared with Choice grade carcasses.

Carcasses of this grade are well proportioned and reasonably plump but may be slightly deficient in breadth or depth across the hips, backs, or shoulders. Legs, although short and moderately plump, are more tapering than in carcasses of the higher grades. Loins, ribs, and chucks are thick and full, and necks are short and reasonably plump. There may be slight indications of paunchiness or a slight tendency toward the rangy type, which is indicated by long tapering shanks and somewhat longer body. Bones are soft and tinged with red, both indicating a young animal. The break joints of the forelegs show four well-defined relatively soft red ridges.

The outer covering of fat is smooth and even over the back and hips, diminishing sharply toward the shanks and flanks. The fat covering is interspersed with thin strips of lean flesh under the fell, but these are not usually so pronounced as in Choice and Prime grade carcasses. Interior fats are plentiful, but they are unevenly distributed, being in greatest quantity in the regions of kidneys and crotch. All fats are of good quality and white or slightly creamy in color. The flesh is moderately firm, fine-grained, and light pink in color.

(d) *Commercial or No. 3.* Commercial or No. 3 grade lamb carcasses have fair conformation, finish, and quality.

Carcasses of this grade are usually somewhat angular or rangy in conformation, with moderately long, thin necks and shanks and relatively narrow hips, backs, and shoulders. They have moderately long, tapering legs, and they lack the plumpness of the better grades. Ribs and loins are lacking somewhat in depth of flesh. The break joints of the forelegs show four well-defined soft ridges, but these lack redness to a marked degree.

Carcasses of this grade usually have a moderately thin outer covering of fat, but it is not evenly distributed. There are also some carcasses in this grade that have excessive quantities of fat which disqualify them for a higher grade. Interior fats are relatively scarce, the kidneys being only partially covered. Small quantities are also found in the crotch. The thin strips of lean under the fell are not nearly so prominent as in the better grades. Heavier carcasses of this

grade or those approaching the yearling mutton stage have proportionately greater quantities of fat than have lighter carcasses. The flesh is usually inclined to be soft, spongy, and moderately fine-grained, or may be firm in carcasses from heavier and older animals. Its color varies from light to dark pink.

(e) *Utility or No. 4.* Utility or No. 4 grade lamb carcasses are angular and have poor conformation, finish, and quality.

All bones are prominent. Such carcasses are disproportionately long and narrow. The contour of the backbone is plainly visible from neck to tail. Sides are thin, and flanks are thin and flabby. There is little or no exterior or interior fat, slight traces being sometimes found around the kidneys and in the crotch. The heavier and older carcasses frequently have small patches of fat in the regions of the kidneys. This fat usually has a bluish tinge. Bones are usually soft, but they lack the redness of those in better grade carcasses. The break joints of the forelegs have knuckle ends removed and show four well-defined relatively soft ridges. Because of lack of finish the flesh is soft, spongy, and inclined to be watery. It appears coarse and fibrous. Its color may be dark pink or it may have a brownish tinge.

(f) *Cull or No. 5.* Cull or No. 5 grade lamb carcasses are not offered regularly for retail trade and are found in the markets only occasionally. Such carcasses are almost entirely devoid of visible fat and are of the most inferior conformation and quality. Proportion of bone to meat is very high. The flesh is dark, soft, coarse-grained, and owing to lack of nourishment or other causes, appears fibrous to a marked degree.

§ 53.116 *Specifications for official United States standards for grades of yearling mutton carcasses.* Yearling mutton carcasses are from animals of the ovine species that have passed the lamb age and lost to an appreciable extent the flesh characteristics which are peculiar to lamb, but have not reached, at time of slaughter, that state of maturity when they could be properly classed as mutton. The age limits for this group are from 12 to 24 months. The grades of yearling mutton carcasses are Prime or No. A1, Choice or No. 1, Good or No. 2, Commercial or No. 3, Utility or No. 4, and Cull or No. 5.

(a) *Prime or No. A1.* Prime or No. A1 grade yearling mutton carcasses closely approach the ideal in conformation, finish, and quality.

In many respects carcasses of this grade resemble Prime grade lamb carcasses, differing principally in having somewhat longer bodies in proportion to width and depth, harder and whiter bones, slightly coarser flesh, and greater quantities of exterior and interior fats. They are compact and blocky, have relatively short, plump, well-fleshed legs, broad backs, thick, well-fleshed loins, ribs, and chucks, thick breasts, and flanks. All fats are firm, white or slightly creamy, of excellent quality, and are slightly brittle.

The outer covering of fat is smooth, evenly distributed, of moderate depth, and free from bunchiness. The fat covering is interspersed with strips of medium pink lean flesh over the sides and a more even distribution over the flanks and breasts. Interior fats are plentiful, but not wasty. The kidneys are well covered to a fairly uniform depth, and the interior walls of the ribs have a thin covering. The lean flesh is firm in all parts, relatively fine-grained, and medium pink in color. The bones are moderately small and are whiter than in Prime grade lamb carcasses.

(b) *Choice or No. 1.* Choice or No. 1 grade yearling mutton carcasses haxe excellent conformation, finish, and quality. They have relatively short and plump legs, thick loins and ribs, full-fleshed shoulders, thick breasts, and a length of body commensurate with depth and breadth of carcass. Choice grade carcasses have good breadth in proportion to length, but are relatively heavier in the fore quarters than lamb carcasses of the same grade. They resemble Choice grade lamb carcasses in many respects, but have proportionately longer bodies, legs, and necks, larger abdominal cavities, and more distended ribs. Compared with lamb, the bones are harder and whiter. Where the foot is removed from the foreleg the end of the bone shows a rough, dry, and comparatively hard surface.

The outer covering of fat is smooth and well distributed over loins, ribs, and shoulders. The fat covering is interspersed with thin strips of dark-pink flesh under the fell extending over the sides and has a more even distribution over the lower limits of the breasts and flanks. Interior fats are plentiful in the crotch, and the kidneys are well and evenly covered. All fats are of good quality, white or creamy, and inclined to be brittle. The flesh is moderately fine-grained, firm, and medium to dark pink in color.

(c) *Good or No. 2.* Good or No. 2 grade yearling mutton carcasses have good conformation, finish, and quality. Such carcasses, although reasonably plump, may be slightly deficient in breadth across the hips, back and shoulders. Yearling mutton carcasses of this grade resemble Good grade lamb carcasses in many respects, but have proportionately longer bodies and legs, larger abdominal cavities, more distended ribs, and harder bones. The break joints of the forelegs are rough and dry and show little redness.

The outer covering of fat may be fairly even over the back, loin, and rumps, or it may be slightly rough. Interior fats are plentiful in the crotch, and the kidneys are usually well covered. The flesh is firm, moderately fine-grained, and has a deep pink to light red color.

(d) *Commercial or No. 3.* Commercial or No. 3 grade yearling mutton carcasses have fair conformation, finish, and quality. To some extent they lack the fullness or plumpness in legs, loins, and ribs found in Good grade carcasses. Shoulders are usually thinly fleshed and inclined to be rough, necks are long, and legs long and tapering. There is usually a thin covering of fat over the shoulders, a moderate quantity on the loins, ribs, and breasts, and practically none elsewhere on the exterior surface. Except for small quantities around the kidneys and in the crotch, interior fats are scant. Although the flesh is moderately fine-grained, it usually has a relatively high percentage of moisture and varies in color from deep pink to light red.

(e) *Utility or No. 4.* Utility or No. 4 grade yearling mutton carcasses are the lowest grade which are offered regularly for sale by the retail trade. The principal features which distinguish this grade are the marked lack of quality and finish and the high percentage of bone to flesh. Such carcasses have poor conformation. The contour of the backbone is plainly visible from neck to tail. Except for small and uneven patches on the shoulders and back, there are usually not other exterior fats. Interior fats are generally lacking, but there may be slight traces in the region of the kidneys and in the crotch. The flesh is very moist, soft, flabby, and is dark red in color.

(f) *Cull or No. 5.* Cull or No. 5 grade yearling mutton carcasses are seldom found in retail markets. The grade is all that the term "cull" implies. All bones are prominent to a marked degree, and both exterior and interior fats are almost totally lacking. The flesh is dark, coarse, soft, and watery.

§ 53.117 *Specifications for official United States standards for grades of mutton carcasses.* Mutton carcasses are graded on the basis of conformation, finish, and quality. The grades are Prime or No. A1, Choice or No. 1, Good or No. 2, Commercial or No. 3, Utility or No. 4, and Cull or No. 5.

(a) *Prime or No. A1.* Prime or No. A1 grade mutton carcasses are ideal in conformation, finish, and quality. They resemble Prime grade yearling mutton carcasses in many respects, but have harder, whiter bones, darker flesh, and more brittle fats. They are relatively short, compact, and blocky, with a high percentage of meat to bone, and carry a high percentage of the total carcass weight in the legs, loins, and racks. Legs are relatively short, thick, and plump, loins and ribs are deeply fleshed, shoulders are full and compact, breasts are thick, necks relatively short and plump, and flanks full. Bones are somewhat white and hard, but most carcasses of this grade are from relatively young sheep. The feet are severed from the legs at the ankle joint, leaving two smooth hard white ridges.

The outer covering of fat is fairly deep, smooth, and evenly distributed, but not excessive at any point. Interior fats are plentiful in the crotch, over the kidneys, and on the inside of the chest cavity, but not excessive or wasty. All fats are of excellent quality, are creamy white tending to a yellowish tinge, and are brittle.

The strips of lean under the fell on the sides and breasts are prominent, and light red in color. The flesh is firm, fine-grained, and of light red color.

(b) *Choice or No. 1.* Choice or No. 1 grade mutton carcasses resemble Choice grade yearling mutton carcasses rather closely in some respects, but have harder bones, darker flesh, and more brittle fat. Choice grade carcasses have excellent

conformation, finish, and quality. They have relatively short, stocky legs, thick loins and ribs, full fleshy shoulders, and thick breasts. Carcasses of this grade have good breadth in proportion to length and are not rangy or angular. Bones are relatively hard and white. The feet are severed from the legs at the ankle joints. The joints of the forelegs show two smooth, hard, white ridges.

The outer covering of fat is smooth and evenly distributed, has greatest depth over the rumps, loins, and back, but is not excessive at any point. Interior fats are plentiful in the crotch, around the kidneys, and on the interior walls, but are not wasty. All fats are of excellent quality, creamy colored, inclining to a yellowish tinge, and brittle to a marked degree.

The strips of lean under the fell on the sides and breasts are prominent and are light red in color. The flesh is firm, is moderately fine-grained, and has a light-red color. Bunchy or excessive quantities of exterior or interior fat bar a carcass from this grade.

(c) *Good or No. 2.* Good or No. 2 grade mutton carcasses have good conformation, finish, and quality. Good grade carcasses, although well-proportioned and moderately plump, may be slightly deficient in breadth or depth across the hips, back, and shoulders as compared with Choice carcasses. Legs are relatively short and thickly fleshed. Good grade carcasses generally have wider barrels and more distended ribs than Choice carcasses. The grade admits a higher percentage of ewes, and the bones may be slightly harder and more flinty.

The outer covering of fat, although fairly even, varies to some extent and may be slightly excessive on the rumps or deficient on the shoulders, breasts, and flanks. Interior fats are plentiful, but may be slightly deficient or excessive as compared with Choice grade carcasses, although not to a marked degree. The strips of lean under the fell on the sides are less prominent than on Choice grade carcasses, but these are well defined. The flesh is firm, slightly coarse-grained, and light to medium red in color.

(d) *Commercial or No. 3.* Commercial or No. 3 grade mutton carcasses have fair conformation, finish, and quality.

Carcasses of this grade lack the fullness or plumpness in legs, loins, and ribs found in carcasses of the better grades. Shoulders are only moderately well fleshed. Carcasses of this grade are relatively narrow through the hips and across the back, and the bones of the spinal column are prominent. Because of these deficiencies such carcasses appear somewhat long and angular. The abdominal cavity is relatively wide, and the curvature of the ribs is very marked, especially in ewe mutton carcasses.

The thin strips of lean flesh under the fell, which are so prominent on well-finished carcasses, are only slightly in evidence on commercial grade carcasses. There is usually a thin covering of fat over the back, loins, and rumps, but practically none on the legs. The flanks are inclined to be thin. There are moderate quantities of interior fats around the kidneys but not sufficient to cover them, and there are only traces elsewhere. The flesh is moderately firm, but somewhat coarse-grained and medium to dark red in color.

(e) *Utility or No. 4.* Utility or No. 4 grade mutton carcasses are the lowest grade offered regularly for retail trade purposes. They are angular in conformation, thinly fleshed, and lacking in finish. Such carcasses are narrow across the hips, loins, back, and shoulders. The contour of the backbone is plainly visible from end to end, and other bones are prominent. The grade consists principally of carcasses from old, thin-fleshed ewes. The bones are therefore usually hard, white, and flinty. Small and uneven patches of exterior fat are occasionally found on loins, back, or shoulders. There are usually traces of fat around the kidneys, but practically no other interior fats. That which is found is of poor quality. The flesh is coarse-grained, inclined to be soft and flabby, and dark red in color.

(f) *Cull or No. 5.* Cull or No. 5 grade mutton carcasses are all that the term "cull" implies. They are mostly from old, worn-out ewes, and are not found on all dressed meat markets. All bones are prominent and the proportion of bone to flesh is exceedingly high. Carcasses are entirely devoid of visible fat, and the flesh is very unattractive. It is soft, flabby, watery, and very dark in color.

Effective dates. The foregoing standards consist of the standards for carcass beef adopted effective June 3, 1926 as amended in July 1939 and November 1941; the standards for veal and calf carcasses adopted effective July 16, 1928, as amended in October 1940; and the standards for lamb and mutton carcasses adopted effective February 16, 1931, as amended in October 1940. All of said standards, as amended, are presently in effect, except that "prime grade" was suspended as one of the grades of beef and veal and calf carcasses by an order of the Secretary of Agriculture of October 1, 1942 and is hereby reinstated in force effective on and after publication hereof.

NOTE: Inasmuch as "prime grade" which was one of the official grades heretofore established by the Department of Agriculture for beef and veal and calf carcasses was suspended to conform with a price regulation of the Office of Price Administration, and livestock and meats therefrom have now been exempted from price control, notice and public procedure under the Administrative Procedure Act on the reinstatement of "prime grade" as one of the official grades for beef and veal and calf carcasses is deemed unnecessary. For the same reasons and in view of the fact that the meat-packing industry wishes to have "prime grade" available as an official designation for the grading of meat as soon as possible, good cause is found for the reinstatement of "prime grade" as one of the official grades for beef and veal and calf carcasses effective less than thirty days after publication hereof.

Done at Washington, D. C., this 27th day of November, 1946. Witness my hand and the Seal of the United States Department of Agriculture.

[SEAL] CLINTON P. ANDERSON,
Secretary of Agriculture.

[F. R. Doc. 46-21109; Filed, Dec. 2, 1946; 8:46 a. m.]

Chapter VII—Production and Marketing Administration (Agricultural Adjustment)

PART 726—FIRE-CURED AND DARK AIR-CURED TOBACCO

NATIONAL MARKETING QUOTA FOR FIRE-CURED TOBACCO FOR 1947–48 MARKETING YEAR

§ 726.701 *Purpose and basis.* Sections 726.701 and 726.702 are issued to announce the reserve supply level and the total supply of fire-cured tobacco for the marketing year beginning October 1, 1946, and to establish the national marketing quota for fire-cured tobacco for the marketing year beginning October 1, 1947. The Agricultural Adjustment Act of 1938, as amended, provides for marketing quotas for fire-cured tobacco to be in effect during the marketing year beginning October 1, 1947, and requires the Secretary of Agriculture to determine and proclaim, not later than December 1, 1946, the amount of the national marketing quota for such marketing year. The findings and determinations by the Secretary are contained in § 726.702 and have been made on the basis of the latest available statistics of the Federal Government and after due consideration of recommendations received from fire-cured tobacco producers and others at a hearing held at Hopkinsville, Kentucky, on October 3, 1946 (11 F. R. 10663) in accordance with the Administrative Procedure Act (60 Stat. 238).

§ 726.702 *Findings and determinations with respect to the national marketing quota for fire-cured tobacco for the marketing year beginning October 1, 1947*[1]—(a) *Reserve supply level.* The reserve supply level for fire-cured tobacco is 188,300,000 pounds, calculated, as provided in the Act, from a normal year's domestic consumption of 40,000,000 pounds and a normal year's exports of 42,000,000 pounds.

(b) *Total supply.* The total supply of fire-cured tobacco as of the beginning of the marketing year for such tobacco beginning October 1, 1946, is 197,300,000 pounds, consisting of a carry-over of 104,900,000 pounds and estimated 1946 production of 92,400,000 pounds.

(c) *National marketing quota.* The amount of fire-cured tobacco which will make available during the marketing year beginning October 1, 1947, a supply of fire-cured tobacco equal to the reserve supply level of such tobacco is 85,700,000 pounds, and a national marketing quota of such amount is hereby proclaimed.

(52 Stat. 40–43, 46; 53 Stat. 1261; 54 Stat. 392; 56 Stat. 121; 57 Stat. 387; 58 Stat. 136; 60 Stat. 21; 7 U. S. C. and Sup. 1301 (b), (c), 1312)

Done at Washington, D. C., this 27th day of November 1946. Witness my hand and the seal of the Department of Agriculture.

[SEAL] CLINTON P. ANDERSON,
Secretary of Agriculture.

[F. R. Doc. 46-21074; Filed, Nov. 29, 1946; 5:14 p. m.]

[1] Rounded to nearest tenth of a million pounds.

PART 726—FIRE-CURED AND DARK AIR-CURED TOBACCO

NATIONAL MARKETING QUOTA FOR DARK AIR-CURED TOBACCO FOR 1947–48 MARKETING YEAR

§ 726.751 *Purpose and basis.* Sections 726.751 and 726.752 are issued to announce the reserve supply level and the total supply of dark air-cured tobacco for the marketing year beginning October 1, 1946, and to establish the national marketing quota for dark air-cured tobacco for the marketing year beginning October 1, 1947. The Agricultural Adjustment Act of 1938, as amended, provides for marketing quotas for dark air-cured tobacco to be in effect during the marketing year beginning October 1, 1947, and requires the Secretary of Agriculture to determine and proclaim, not later than December 1, 1946, the amount of the national marketing quota for such marketing year. The findings and determinations by the Secretary are contained in § 726.752 and have been made on the basis of the latest available statistics of the Federal Government and after due consideration of recommendations received from dark air-cured tobacco producers and others at a hearing held at Hopkinsville, Kentucky, on October 3, 1946 (11 F. R. 10663) in accordance with the Administrative Procedure Act (60 Stat. 238).

§ 726.752 *Findings and determinations with respect to the national marketing quota for dark air-cured tobacco for the marketing year beginning October 1, 1947* [1]—(a) *Reserve supply level.* The reserve supply level for dark air-cured tobacco is 95,200,000 pounds, calculated, as provided in the act, from a normal year's domestic consumption of 27,000,000 pounds and a normal year's exports of 10,000,000 pounds.

(b) *Total supply.* The total supply of dark air-cured tobacco as of the beginning of the marketing year for such tobacco beginning October 1, 1946, is 104,500,000 pounds, consisting of a carryover of 57,600,000 pounds and estimated 1946 production of 46,900,000 pounds.

(c) *National marketing quota.* The amount of dark air-cured tobacco which will make available during the marketing year beginning October 1, 1947, a supply of dark air-cured tobacco equal to the reserve supply level of such tobacco is 29,100,000 pounds, and a national marketing quota of such amount is hereby proclaimed.

(52 Stat. 40–43, 46; 53 Stat. 1261; 54 Stat. 392; 56 Stat. 121; 57 Stat. 387; 58 Stat. 136; 60 Stat. 21; 7 U. S. C. and Sup. 1301 (b), (c), 1312)

Done at Washington, D. C. this 27th day of November 1946. Witness my hand and the seal of the Department of Agriculture.

[SEAL] CLINTON P. ANDERSON,
Secretary of Agriculture.

[F. R. Doc. 46–21075; Filed, Dec. 2, 1946; 8:45 a. m.]

[1] Rounded to nearest tenth of a million pounds.

Chapter IX—Production and Marketing Administration (Marketing Agreements and Orders)

PART 913—MILK IN THE GREATER KANSAS CITY MARKETING AREA

Sec.
913.0 Findings and determinations.
913.1 Definitions.
913.2 Market administrator.
913.3 Reports of handlers.
913.4 Classification of milk.
913.5 Minimum prices.
913.6 Application of provisions.
913.7 Determination of uniform price to producers.
913.8 Payments for milk.
913.9 Marketing service.
913.10 Expense of administration.
913.11 Effective time, suspension, or termination.
913.12 Agents.

AUTHORITY: §§ 913.0 to 913.12, inclusive, issued under 48 Stat. 31, 670, 675; 49 Stat. 750; 50 Stat. 246; 7 U. S. C. 601 et seq.

§ 913.0 *Findings and determinations*—(a) *Findings upon the basis of the hearing record.* Pursuant to Public Act No. 10, 73d Congress (May 12, 1933), as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (hereinafter referred to as the "act"), and the rules of practice and procedure governing proceedings to formulate marketing agreements and marketing orders (7 CFR, Cum. Supp., 900.1 et seq.; 10 F. R. 11791; 11 F. R. 7737), a public hearing was held upon certain proposed amendments to the tentatively approved marketing agreement and to the order, as amended, regulating the handling of milk in the Greater Kansas City marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof it is hereby found that:

(1) The said order, as amended and as hereby further amended, and all of the terms and conditions of said order, as amended and as hereby further amended, will tend to effectuate the declared policy of the act;

(2) The said order, as amended and as hereby further amended, regulates the handling of milk in the same manner as and is applicable only to persons in the respective classes of industrial and commercial activity specified in the said tentatively approved marketing agreement upon which a hearing has been held; and

(3) The prices calculated to give milk produced for sale in the said marketing area a purchasing power equivalent to the purchasing power of such milk as determined pursuant to sections 2 and 8 (e) of the act are not reasonable in view of the price of feeds, available supply of feed, and other economic conditions which affect market supply of and demand for such milk, and the minimum prices specified in the said order, as hereby further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest.

The foregoing findings are supplementary to and in addition to the findings made in connection with the issuance of each of the previously issued amendments hereto; and all of said previous findings are hereby ratified and affirmed except insofar as such findings may be in conflict with the findings set forth herein.

(b) *Determinations.* It is hereby determined that handlers (excluding cooperative associations of producers who are not engaged in processing, distributing or shipping milk covered by this order, as amended,) of at least 50 percent of the volume of milk covered by said order, as amended and as hereby further amended, which is marketed within the Greater Kansas City marketing area, refused or failed to sign the tentatively approved marketing agreement regulating the handling of milk in the Greater Kansas City marketing area, and it is hereby further determined that:

(1) The refusal or failure of such handlers to sign said tentatively approved marketing agreement tends to prevent the effectuation of the declared policy of the act;

(2) The issuance of this order, as amended, is the only practical means pursuant to the declared policy of the act, of advancing the interests of producers of milk which is produced for sale in the Greater Kansas City marketing area; and

(3) The issuance of this order, as amended, is approved or favored by at least two-thirds of the producers who, during the determined representative period, were engaged in the production of milk for sale in the Greater Kansas City marketing area.

Order relative to handling. It is therefore ordered that from and after the effective date hereof, the handling of milk in the Greater Kansas City marketing area shall be in conformity to and in compliance with the terms and conditions of this order, as amended.

§ 913.1 *Definitions.* The following terms shall have the following meanings:

(a) "Act" means Public Act No. 10, 73d Congress, as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937 (50 Stat. 246 (1937) 7 U. S. C. 601 et seq.), as amended.

(b) "Secretary" means the Secretary of Agriculture of the United States or any officer or employee of the United States Department of Agriculture who is authorized to exercise the powers and to perform the duties of the Secretary of Agriculture of the United States.

(c) "Greater Kansas City marketing area" hereinafter called the "marketing area," means all of the territory in: Jackson County, Missouri; that part of Clay County, Missouri, south of Highway 92, beginning at the Platte County and Clay County line, east to the west section line of section 26 in Washington Township, north to the north section line of said section 26, east to the Clay County and Ray County line; Lee, Waldron, May, and Pettis Townships in Platte County, Missouri; Wyandotte County, Kansas; Shawnee and Mission Townships in Johnson County, Kansas; and Delaware, Leavenworth, and that part of Kickapoo and High Prairie Townships east of the 95th principal meridian in Leavenworth County, Kansas.

(d) "Person" means any individual, partnership, corporation, association, or any other business unit.

(e) "Producer" means any person, irrespective of whether such person is also a handler, who, under a dairy farm permit or rating issued by the proper health authorities for the production of milk to be used for consumption as milk or cream in the marketing area produces milk which is (1) purchased or received at an approved plant, or (2) caused to be diverted from the farm of such person to an unapproved plant by (i) a cooperative association for the account of such association, or (ii) any other handler for the account of such handler: *Provided,* That such handler must give notice to the market administrator and to the cooperative association of which such person is a member, of his intention to divert such milk, the proposed date or dates of such diversion, and the plant to which such milk is to be diverted. As used herein, "Dairy farm permit or rating," means one issued by the health authority charged with the inspection of milk for fluid consumption in the part of the marketing area where such milk is sold or disposed of, or was sold or disposed of before being diverted to an unapproved plant.

(f) "Handler" means (1) any person who operates an approved plant from which Class I milk or Class II milk is disposed of in the marketing area, or (2) any cooperative association, with respect to the milk of any producer, which such cooperative association causes to be diverted to the plant of a handler or to the plant of a non-handler for the account of such cooperative association.

(g) "Producer-handler" means any person who is both a producer and a handler and who receives no milk from other producers: *Provided,* That (1) the maintenance, care and management of the dairy animals and other resources necessary to produce the milk are the personal enterprise of and at the personal risk of such person in his capacity as a producer, and (2) the processing, packaging and distribution of milk are the personal enterprise of and at the personal risk of such person in his capacity as a handler. A producer who processes and packages milk of his own production shall not be considered a producer-handler if his entire output is disposed of to other handlers who purchase or receive milk in bulk from producers.

(h) "An approved plant" means any milk plant approved by the applicable health authority for the handling of milk to be disposed of for fluid consumption as milk in the marketing area, and currently used for any or all of the handling functions of receiving, weighing (or measuring), sampling, cooling, pasteurizing or other preparation of milk for sale or disposition as milk or cream for fluid consumption in the marketing area.

(i) "Producer milk" means all milk produced by a producer other than a producer-handler, which is purchased or received by a handler either directly from such producers or from other handlers.

(j) "Other source milk" means all milk and milk products other than producer milk.

(k) "Market administrator" means the person designated pursuant to § 913.2 as the agency for the administration hereof.

(l) "Delivery period" means the current marketing period from the first to, and including, the last day of each month.

(m) "Cooperative association" means any cooperative association of producers which the Secretary determines (1) to have its entire activities under the control of its members and (2) to have and to be exercising full authority in the sale of milk of its members.

§ 913.2 *Market administrator*—(a) *Designation.* The agency for the administration hereof shall be a market administrator who shall be a person selected by the Secretary. Such person shall be entitled to such compensation as may be determined by, and shall be subject to removal at the discretion of, the Secretary.

(b) *Powers.* The market administrator shall:

(1) Administer the terms and provisions hereof; and

(2) Report to the Secretary complaints of violation of the provisions hereof.

(c) *Duties.* The market administrator shall:

(1) Within 45 days following the date upon which he enters upon his duties, execute and deliver to the Secretary a bond, conditioned upon the faithful performance of his duties, in an amount and with surety thereon satisfactory to the Secretary;

(2) Pay, out of the funds provided by § 913.10, the cost of his bond, his own compensation, and all other expenses necessarily incurred in the maintenance and functioning of his office;

(3) Keep such books and records as will clearly reflect the transactions provided for herein and surrender the same to his successor or to such other person as the Secretary may designate;

(4) Publicly disclose to handlers and producers, unless otherwise directed by the Secretary, the name of any person who, within 10 days after the date upon which he is required to perform such acts, has not (i) made reports pursuant to § 913.3 or (ii) made payments pursuant to § 913.8; and

(5) Promptly verify the information contained in the reports submitted by handlers.

§ 913.3 *Reports of handlers*—(a) *Periodic reports.* On or before the 7th day after the end of each delivery period, each handler who purchased or received milk from sources other than his own production or other handlers shall with respect to milk or dairy products which were purchased, received, or produced by such handler during such delivery period report to the market administrator in the detail and form prescribed by the market administrator, as follows:

(1) The receipts at each plant of milk from each producer, the butterfat content, and the number of days on which milk was received from each producer;

(2) The receipts from such handler's own farm production and the butterfat content;

(3) The receipts of milk, cream, and milk products from handlers who purchase or receive milk from producers and the butterfat content;

(4) The receipts of other source milk;

(5) The respective quantities of milk and milk products and the butterfat content which were sold, distributed, or used, including sales to other handlers for the purpose of classification pursuant to § 913.4;

(6) The sales of milk and Class II products outside the marketing area, listing the market or area in which such milk and such Class II products were sold or disposed of, the date of such sale or disposition, and the plant from which such milk and milk products were supplied;

(7) Such other information with respect to the use of milk as the market administrator may request.

(b) *Reports of payments to producers.* On or before the 20th day after the end of each delivery period, upon the request of the market administrator, each handler who purchased or received milk from producers shall submit to the market administrator his producer pay roll for such delivery period which shall show for each producer: (1) The daily and total pounds of milk delivered and the average butterfat content thereof and (2) the net amount of such handler's payments to such producer with the prices, deductions, and charges involved.

(c) *Reports of producer-handlers and handlers whose sole source of supply is from other handlers.* Producer-handlers and handlers whose sole source of supply is from other handlers shall make reports to the market administrator at such time and in such manner as the market administrator may require.

(d) *Verification of reports and payments.* The market administrator shall verify all reports and payments of each handler by audit of such handler's records and of the records of any other handler or person upon whose disposition of milk the classification depends. Each handler shall keep adequate records of receipts and utilization of milk and milk products and shall, during the usual hours of business, make available to the market administrator or his representatives such records and facilities as will enable the market administrator to:

(1) Verify the receipts and disposition of all milk and milk products, and in case of errors or omissions, ascertain the correct figures;

(2) Weigh, sample, and test for butterfat content the milk purchased or received from producers and any product of milk upon which classification depends; and

(3) Verify the payments to producers prescribed in § 913.8.

§ 913.4 *Classification of milk*—(a) *Milk to be classified.* All milk and milk products purchased or received by each handler at his approved plant shall be classified by the market administrator in the classes set forth in (b) of this section.

(b) *Classes of utilization.* Subject to the conditions set forth in paragraph (c) of this section, the classes of utilization of milk shall be as follows:

(1) Class I milk shall be all milk disposed of in the form of milk containing more than 1 percent of butterfat irrespective of whether under the legal standard for milk and unaccounted for butterfat in excess of 3 percent of the total receipts of butterfat other than receipts from other handlers converted to a 3.8 percent milk equivalent, except such milk as is classified as Class II milk and as Class III milk pursuant to subparagraphs (2) and (3) of this paragraph.

(2) Class II milk shall be all milk, except skim milk, used to produce cream which is disposed of in the form of cream, other than for use in products specified in subparagraph (3) of this paragraph, flavored milk, creamed cottage cheese, creamed buttermilk, products sold or disposed of in the form of cream testing less than 18 percent of butterfat, aerated cream, and eggnog.

(3) Class III milk shall be all milk: used to produce butter, cheese (other than creamed cottage cheese), evaporated milk, condensed milk, ice cream, and powdered whole milk; used for starter churning, wholesale baking and candy making purposes; accounted for as salvage from products where the recovery of fat is impossible; and not accounted for but not in excess of 3 percent of the total receipts of butterfat other than receipts from oher handlers.

(c) *Transfers of milk, skim milk, and cream.* (1) Milk or skim milk sold or disposed of in fluid form by a handler to a plant of a nonhandler who distributes fluid milk shall be Class I unless all of the following conditions are met: (i) Such nonhandler's plant is located less than 100 miles from the approved plant where such milk was received from producers; (ii) the market administrator is permitted to audit the records of such nonhandler; (iii) the receipts of producer milk at approved plants are greater than the total sales of Class I and Class II milk from handlers' routes in the marketing area; and (iv) such nonhandler receives milk from dairy farmers who the market administrator determines constitute such nonhandler's regular source of supply.

If all the above conditions are met the market administrator shall classify such milk as follows: (*a*) Determine the use of all milk and all milk products received at the plant of such nonhandler, and (*b*) allocate the milk disposed of by the handler to such nonhandler to the highest use remaining after subtracting in series beginning with the highest use clasisfication receipts of milk by such nonhandler direct from dairy farmers.

(2) Cream sold or disposed of in fluid form by a handler to a plant of a nonhandler who distributes fluid cream shall be Class II unless all of the following conditions are met: (i) Such nonhandler's plant is located less than 100 miles from the approved plant where such milk was received from producers; (ii) the market administrator is permitted to audit the records of such nonhandler; (iii) the receipts of producer milk at approved plants are greater than the total sales of Class I and Class II milk from handlers' routes in the marketing area; and (iv) such nonhandler receives milk from dairy farmers who the market administrator determines constitutes such nonhandler's regular source of supply.

If all the above conditions are met the market administrator shall classify such milk as follows: (*a*) Determine the use of all milk and all milk products received at the plant of such nonhandler; and (*b*) allocate the cream disposed of by the handler to such nonhandler to the highest use remaining after subtracting in series beginning with the highest use classification receipts of milk by such nonhandler direct from dairy farmers.

(3) Milk, skim milk or cream sold or disposed of by a handler to a plant of a nonhandler who does not distribute fluid milk or cream shall be Class III milk.

(4) Milk or skim milk sold or disposed of in fluid form by a handler, who purchases or receives milk from producers to another handler who purchases or receives milk from producers, shall be Class I milk: *Provided*, That if the amount of such milk so sold or disposed of is in excess of the amount classified as Class I at such purchasing handler's plant, such excess milk shall be classified in series beginning with the next highest class in which such purchasing handler has use: *Provided*, That if either or both handlers have purchased other source milk, such milk so sold or disposed of, shall be classified at both plants so as to return the highest class utilization to producer milk: *Provided further*, That if such milk was sold or disposed of from a handler's plant located outside the marketing area, to another handler who purchases or receives milk from producers, such milk shall be allocated to the lowest class usage of producer milk by such purchasing handler. The provisions of this paragraph shall apply with respect to the milk of producers which is caused to be diverted by a handler directly from the farms of producers to a plant of a second handler for not more than 5 days during the delivery period.

(5) Cream sold or disposed of as fluid cream by a handler who purchases or receives milk from producers to another handler who purchases or receives milk from producers shall be Class II: *Provided*, That if the amount of such cream so sold or disposed of is in excess of the amount classified as Class II in such purchasing handler's plant such excess cream shall be classified in the next highest class in which such purchasing handler has use: *Provided*, That if either or both handlers have purchased other source milk such cream so sold or disposed of shall be classified at both plants so as to return the highest class utilization to producer milk: *Provided further*, That if such cream was sold or disposed of from a handler's plant located outside the marketing area to another handler who purchases or receives milk from producers, such cream shall be allocated to the lowest class usage of producer milk by such purchasing handler.

(6) Milk or skim milk sold or disposed of in fluid form by a handler who purchases or receives milk from producers to a producer-handler or to a handler who purchases or receives no milk from producers shall be Class I milk.

(7) Cream sold or disposed of as fluid cream by a handler who purchases or receives milk from producers to a producer-handler or to a handler who purchases or receives no milk from producers shall be Class II milk.

(d) *Responsibility of handlers in establishing the classification of milk.* In establishing the classification as required in paragraph (b) of this section of any milk received by a handler from producers, the burden rests upon the handler who receives the milk from producers to account for the milk and to prove to the market administrator that such milk should not be classified as Class I milk.

(e) *The allocation of other source milk.* Other source milk purchased or received at an approved plant of a handler who purchases or receives milk from producers shall be allocated to Class III except that other source milk may be allocated to Class II to the extent that Class II milk exceeds the amount of all producer milk classified as Class II milk, and other source milk may be allocated to Class I only to the extent that the total amount of Class I milk of the handler exceeds the total amount of producer milk received by such handler.

(f) *Computation of milk in each class.* For each delivery period each handler shall compute, in the manner and on forms prescribed by the market administrator the amount of milk in each class as defined in paragraph (b) of this section, as follows:

(1) Determine the total pounds of milk received as follows: add together the total pounds of milk received from (i) producers, (ii) own farm production, (iii) other handlers, and (iv) other sources.

(2) Determine the total pounds of butterfat received as follows: (i) Multiply by its average butterfat test the weight of the milk received from (*a*) producers, (*b*) own farm production, (*c*) other handlers, and (*d*) other sources, and (ii) add together the resulting amounts.

(3) Determine the total pounds of milk in Class I as follows: (i) Convert to pounds the quantity of Class I milk on the basis of 2.15 pounds per quart, (ii) multiply the result by the average butterfat test of such milk, and (iii) if the quantity of butterfat so computed when added to the pounds of butterfat in Class II milk and Class III milk, computed pursuant to subparagraphs (4) (ii) and (5) (iv) of this paragraph, is less than the total pounds of butterfat received, computed in accordance with subparagraph (2) of this paragraph, an amount equal to the difference shall be divided by 3.8 percent and added to the quantity of milk determined pursuant to subdivision (i) of this subparagraph.

(4) Determine the total pounds of milk in Class II as follows: (i) Multiply the actual weight of each of the several products of Class II milk by its average butterfat test, (ii) add together the resulting amounts, and (iii) divide the result obtained in subdivision (ii) of this subparagraph by 3.8 percent.

(5) Determine the total pounds of milk in Class III as follows: (i) Multiply the actual weight of eaoh of the several products of Class III milk by its average but-

terfat test, (ii) add together the resulting amounts, (iii) subtract from the total pounds of butterfat computed pursuant to subparagraph (2) of this paragraph, the total pounds of butterfat in Class I milk, computed pursuant to subparagraph (3) (ii) of this paragraph, the total pounds of butterfat in Class II milk, computed pursuant to subparagraph (4) (ii) of this paragraph and the total pounds of butterfat computed pursuant to subdivision (ii) of this subparagraph which resulting quantity shall be allowed as plant shrinkage for the purposes of this paragraph (but in no event shall such plant shrinkage allowance exceed 3 percent of the total receipts of butterfat from producers by the handler), (iv) add together the results obtained in subdivisions (ii) and (iii) of this subparagraph and (v) divide the result obtained in subdivision (iv) of this subparagraph by 3.8 percent.

(6) Determine the classification of milk received from producers as follows: (i) Subtract from the total pounds of milk in each class the pounds of producer milk which were received from other handlers and used in such claims; (ii) subtract from the remaining pounds of milk in each class the pounds of other source milk allocated to such class pursuant to paragraph (e) of this section.

(g) *Reconciliation of utilization of milk by classes with receipts of milk from producers.* In the event of a difference between the total quantity of milk utilized in the several classes as computed pursuant to paragraph (f) (6) of this section and the quantity of milk received from producers, except for excess milk or milk equivalent of butterfat pursuant to § 913.6 (c), such difference shall be reconciled as follows:

(1) If the total utilization of milk in the various classes for any handler, as computed pursuant to paragraph (f) (6) of this section, is less than the receipts of milk from producers, the market administrator shall increase the total pounds of milk in Class III for such handler by an amount equal to the difference between the receipts of milk from producers and the total utilization of milk by classes for such handler.

(2) If the total utilization of milk in the various classes for any handler, as computed pursuant to paragraph (f) (6) of this section, is greater than the receipts of milk from producers, the market administrator shall decrease the total pounds of milk for such handler by subtracting in series beginning with the lowest class use of such handler an amount equal to the difference between receipts of milk from producers and the total utilization of milk by classes for such handler.

§ 913.5 *Minimum prices*—(a) *Class prices.* Subject to the differentials set forth in paragraphs (c) and (d) of this section, each handler shall pay producers, at the time and in the manner set forth in § 913.11, for milk purchased or received from them not less than the following prices:

(1) *Class I milk.* The price per hundredweight of Class I milk during each delivery period shall be the price determined pursuant to paragraph (b) of this section, plus 75 cents.

(2) *Class II milk.* The price per hundredweight of Class II milk during each delivery period shall be the price determined pursuant to paragraph (b) of this section plus 50 cents.

(3) *Class III milk.* The price per hundredweight of Class III milk during each delivery period shall be the highest price ascertained by the market administrator to have been quoted for ungraded milk of 3.8 percent butterfat content received during such delivery period by any one of the three following plants: The Meyer Sanitary Milk Company at its plant at Valley Falls, Kansas; the Franklin Ice Cream Company at its plant at Tonganoxie, Kansas; and the Milk Producers' Marketing Company at its plant at Kansas City, Kansas.

(b) *Basic formula price to be used in determining Class I and Class II prices.* The basic formula price to be used in determining the Class I and Class II prices, set forth in this section, per hundredweight of milk as computed and announced by the market administrator on or before the 5th day of the delivery period shall be the arithmetical average of the prices per hundredweight reported to the United States Department of Agriculture as being paid all farmers for milk of 3.5 percent butterfat content delivered f. o. b. plant during the immediately preceding delivery period at the following plants and places:

Borden Company, Mount Pleasant, Mich.
Carnation Company, Sparta, Mich.
Pet Milk Company, Hudson, Mich.
Pet Milk Company, Wayland, Mich.
Pet Milk Company, Coopersville, Mich.
Borden Company, Greenville, Wis.
Borden Company, Black Creek, Wis.
Borden Company, Orfordville, Wis.
Carnation Company, Chilton, Wis.
Carnation Company, Berlin, Wis.
Carnation Company, Richland Center, Wis.
Carnation Company, Oconomowoc, Wis.
Carnation Company, Jefferson, Wis.
Pet Milk Company, New Glarus, Wis.
Pet Milk Company, Belleville, Wis.
Borden Company, New London, Wis.
White House Milk Company, Manitowoc, Wis.
White House Milk Company, West Bend, Wis.

divided by 3.5 and multiplied by 3.8, but in no event shall such basic formula price to be used be less than the following: multiply by 3.8 the average price per pound of 92-score butter at wholesale in the Chicago market, as reported by the United States Department of Agriculture for the immediately preceding delivery period, and add 20 percent: *Provided*, That such price shall be subject to the following adjustments: (1) Add 3½ cents per hundredweight for each full one-half cent that the price of dry skim milk for human consumption is above 5½ cents per pound or (2) subtract 3½ cents per hundredweight for each full one-half cent that the price of such dry skim milk is below 5½ cents per pound. For purposes of determining this adjustment the price per pound of dry skim milk to be used shall be the average of the carlot prices for dry skim milk for human consumption, f. o. b. manufacturing plant, as published by the United States Department of Agriculture for the Chicago area during the immediately preceding delivery period, including in such average the quotations published for any fractional part of the previous delivery period which were not published and available for the price determination of such dry skim milk for the previous delivery period. In the event the United States Department of Agriculture does not publish carlot prices for dry skim milk for human consumption, f. o. b. manufacturing plant, the average of the carlot prices for dry skim milk for human consumption, delivered at Chicago, shall be used. In the latter event such price shall be subject to the following adjustments: (1) Add 3½ cents per hundredweight for each full one-half cent that the price of dry skim milk for human consumption, delivered at Chicago, is above 7½ cents per pound or (2) subtract 3½ cents per hundredweight for each full one-half cent that such price of dry skim milk is below 7½ cents per pound.

(c) *Butterfat differential.* If the average butterfat content of milk purchased or received from producers by any handler during any delivery period is more or less than 3.8 percent, there shall be added or subtracted per hundredweight of such milk for each one-tenth of 1 percent above or below 3.8 percent an amount equal to the Class III price for such delivery period, divided by 38.

(d) *Location differential.* (1) If any handler has received milk from any producer at an approved plant located outside the marketing area but more than 30 miles by the shortest highway route from such handler's approved plant located within the marketing area, there shall be subtracted with respect to a quantity of milk (but not in excess of the total quantity of milk received from producers by such handler at such plant located outside the marketing area) computed by the market administrator as follows: (i) Determine the difference between 105 percent of such handler's total Class I and Class II milk received from producers, and the total quantity of milk received from producers by such handler at his plant located within the marketing area during the delivery period of the next preceding year when such difference was greatest; (ii) divide such difference by the number of days in such delivery period; and (iii) multiply by the number of days in the delivery period an amount up to but not exceeding the amount specified for the distance of such plant from such handler's plant located within the marketing area, as follows: not more than 45 miles, 17 cents per hundredweight; for each additional 10 miles or fraction thereof up to 75 miles, an additional 1½ cents per hundredweight; and for each additional 10 miles or fraction thereof beyond 75 miles, an additional ½ cent per hundredweight.

(2) If any handler has received milk from producers at more than one such plant located outside the marketing area, at one of which plants no facilities for processing or separating milk are maintained and has received no milk from producers at his plant located within the marketing area, there shall be subtracted

with respect to a quantity of milk, if received, equal to 105 precent of such handler's total Class I and Class II milk received from producers an amount up to but not exceeding the amount specified for the distance of such plant from such handler's plant located within the marketing area, as follows: Not more than 45 miles, 17 cents per hundredweight; for each additional 10 miles or fraction thereof up to 75 miles an additional 1½ cents per hundredweight; and for each additional 10 miles or fraction thereof beyond 75 miles, an additional ½ cent per hundredweight; such deductions shall first be made on the milk received from prodpucers at such plant located outside the marketing area where no facilities for processing or separating milk are maintained.

§ 913.6 *Application of provisions.* (a) The provisions of §§ 913.4, 913.7, 913.8, 913.9, and 913.10 shall not apply to a producer-handler or to a handler whose sole source of supply is from other handlers.

(b) If a handler has purchased or received other source milk the market administrator, in determining the net pool obligation of the handler pursuant to § 913.7 (a) shall consider such milk as Class III milk. If the receiving handler sells or disposes of such milk for other than Class III purposes, the market administrator shall add an amount equal to the difference between (1) the value of such milk according to its utilization by the handler, and (2) the value at the Class III price. This provision shall not apply if such handler can prove to the market administrator that such milk was used only to the extent that producer milk was not available.

(c) If a handler, after subtracting receipts from other handlers and receipts of other source milk, has disposed of milk or butterfat in excess of the milk or butterfat which, on the basis of his reports, has been credited to his producers as having been delivered by them, the market administrator, in determining the net pool obligation of the handler pursuant to § 913.7 (a), shall add an amount equal to the value of milk or butterfat according to its utilization by the handler.

(d) Milk which is caused to be diverted by a handler directly from producers' farms to an approved plant of another handler for not more than 5 days during any delivery period shall be considered an interhandler transfer of milk, and shall be reported by the handler who caused such milk to be diverted, as though the milk had first been received at such handler's plant.

(e) If the shortest highway distance between an approved plant located outside the marketing area where milk is purchased or received from producers and the approved plant located within the marketing area to which such milk is transferred is lessened through a relocation of highways to less than 30 miles, the location differential which applied before the highway distance was lessened shall continue to apply.

§ 913.7 *Determination of uniform price to producer*—(a) *Net pool obligation of handlers.* Subject to the provisions of § 913.6, the net pool obligation of each handler for milk received during each delivery period shall be a sum of money computed for such delivery period by the market administrator as follows:

(1) Multiply the pounds of milk in each class computed pursuant to § 913.4 by the class prices set forth in § 913.5 and add together the resulting values;

(2) Add, if the average butterfat content of all milk purchased or received from producers is more than 3.8 percent, and deduct if the average butterfat content of all milk purchased or received from producers is less than 3.8 percent, an amount equal to the total value of the butterfat differential applicable pursuant to § 913.5 (c);

(3) Subtract an amount equal to the total value of the location differential applicable pursuant to § 913.5 (d);

(4) Add an amount equal to the total values pursuant to § 913.6 (b) and (c); and

(5) Deduct, if the average butterfat content of all milk purchased or received from producers is more than 3.8 percent, and add, if the average butterfat content of all milk purchased or received from producers is less than 3.8 percent, the total value of the butterfat differential applicable pursuant to § 913.8 (c).

(b) *Computation and announcement of the uniform price.* The market administrator shall compute and announce the uniform price per hundredweight for milk purchased or received from producers during each delivery period in the following manner:

(1) Combine into one total the net pool obligations computed pursuant to paragraph (a) of this section of all handlers who made the reports prescribed by § 913.3 and who made the payments prescribed by § 913.8 for the previous delivery period;

(2) Add the amount of the location differentials applicable pursuant to § 913.8 (d);

(3) For each of the delivery periods of May, June, and July, subtract an amount equal to 20 cents per hundredweight of the total amount of milk received by handlers from producers and included in these computations, to be retained in the producer-settlement fund for the purpose specified in § 913.8 (h) (2);

(4) Add an amount equal to one-half of the unobligated balance in the producer-settlement fund;

(5) Divide by a figure equal to the total hundredweight of milk received by handlers from producers and included in these computations;

(6) Subtract from the figures computed pursuant to subparagraph (5) of this paragraph not less than 4 cents nor more than 5 cents for the purpose of retaining in the producer-settlement fund a cash balance to provide against errors in reports and payments or delinquencies in payments by handlers. This result shall be known as the uniform price for such delivery period for the milk of producers containing 3.8 percent butterfat; and

(7) On or before the 10th day after the end of such delivery period, mail to all handlers (i) such of these computations as do not disclose information confidential pursuant to the act; (ii) the uniform price per hundredweight computed pursuant to subparagraph (6) of this paragraph; (iii) the prices for Class I milk, Class II milk, and Class III milk; and the butterfat differentials computed pursuant to §§ 913.5 (c) and 913.8 (c).

§ 913.8 *Payments for milk*—(a) *Time and method of payment.* On or before the 12th day after the end of each delivery period, each handler, after deducting the amount of the payment made pursuant to paragraph (b) of this section, and subject to the differentials set forth in paragraphs (c) and (d), respectively, of this section, shall make payment to producers at the uniform price per hundredweight computed pursuant to § 913.7 (b) for the total quantity of milk received from producers.

(b) *Half-delivery period payments.* On or before the 25th day of each delivery period, each handler shall make payment to each producer for the approximate value of the milk of such producer which, during the first 15 days of each delivery period, was received by such handler.

(c) *Butterfat differential.* If during the delivery period, any handler has purchased or received from any producer milk having an average butterfat content other than 3.8 percent, such handler, in making the payments prescribed in paragraph (a) of this section, shall add to the prices per hundredweight for such producer for each one-tenth of 1 percent of average butterfat content in milk above 3.8 percent not less than, or shall subtract from such prices for such producer for each one-tenth of 1 percent of average butterfat content in milk below 3.8 percent not more than, an amount computed as follows: add 4 cents to the average price of 92-score butter at wholesale in the Chicago market, as reported by the United States Department of Agriculture for the delivery period during which such milk was received, and divide the resulting sum by 10.

(d) *Location differentials.* For milk received from producers at approved plants located outside the marketing area but more than 30 miles by the shortest highway distance from the approved plant located within the marketing area to which such milk is transferred, each handler in making payments pursuant to paragraph (a) of this section shall deduct, with respect to all milk received from such producers, the amount per hundredweight specified for the distance of such plant located outside the marketing area from such plant located within the marketing area, as follows: not more than 45 miles, 17 cents per hundredweight; for each additional 10 miles or fraction thereof up to 75 miles, an additional 1½ cents per hundredweight; and for each additional 10 miles or fraction thereof beyond 75 miles, an additional ½ cent per hundredweight.

(e) *Additional payments.* Any handler may make payment to producers in addition to the payments to be made pursuant to paragraph (a) of this section: *Provided,* That such additional payments shall be uniform among all producers for milk of the same grade and quality.

(f) *Producer-settlement fund.* The market administrator shall establish and

maintain a separate fund known as the "producer-settlement fund" into which he shall deposit all payments made by handlers pursuant to paragraphs (g) and (i) of this section and out of which he shall make all payments to handlers pursuant to paragraphs (h) and (i) of this section: *Provided,* That the market administrator shall offset any such payment due to any handler against payments due from such handler. Immediately after computing the uniform price for each delivery period, the market administrator shall compute the amount by which each handler's net pool obligation is greater or less than the sum required to be paid producers pursuant to this section by such handler, and shall enter such amount on such handler's account as such handler's pool debit or credit, as the case may be, and render such handler a transcript of his account.

(g) *Payments to the producer-settlement fund.* On or before the 12th day after the end of each delivery period, each handler shall make full payment to the market administrator of any pool debit balance shown on the account rendered pursuant to paragraph (f) of this section for such delivery period.

(h) *Payments out of the producer-settlement fund.* (1) On or before the 12th day after the end of each delivery period, the market administrator shall pay to each handler the pool credit balance shown on the account rendered pursuant to paragraph (f) of this section for such delivery period, less any unpaid obligations of the handler. If at such time the balance in the producer-settlement fund is insufficient to make all payments pursuant to this paragraph, the market administrator shall reduce uniformly such payments and shall complete such payments as soon as the necessary funds are available. No handler, who, on the 12th day after the end of each delivery period, has not received the balance of the payment due him from the market administrator shall be deemed to be in violation of paragraph (a) of this section if he reduces his total payments uniformly to all producers by not more than the amount of the reduction in payment from the producer-settlement fund. Nothing in this paragraph shall abrogate the right of a cooperative association to make payment to its member producers in accordance with the payment plan of such cooperative association.

(2) On or before the 15th day after the end of each of the delivery periods of October, November, and December, the market administrator shall pay out of the producer-settlement fund to each producer an amount computed as follows: Divide one-third of the total amount held pursuant to § 913.7 (b) (3) by the hundredweight of producer milk received during the delivery period involved (October, November, or December, as above) and apply the resulting amount per hundredweight to the milk of each producer for such delivery period: *Provided,* That payment under this subparagraph due any producer who has given authority to a cooperative association which is qualified pursuant to § 913.9 (b) to receive payments for his milk shall be distributed to such cooperative association if the cooperative association requests receipt of such payment.

(i) *Adjustment of errors in payments.* Whenever verification by the market administrator of reports or payments of any handler discloses errors made in payments to the producer-settlement fund pursuant to paragraph (g) of this section, the market administrator shall promptly bill such handler for any unpaid amount and such handler shall, within 5 days of such billings, make payment to the market administrator of the amount so billed. Whenever verification discloses that payment is due from the market administrator to any handler pursuant to paragraph (h) of this section, the market administrator shall, within 5 days, make such payment to such handler or offset any such payment due any handler against payments due from such handler. Whenever verification by the market administrator of the payment by a handler to any producer, for milk purchased or received by such handler, discloses payment to such producer of less than is required by this section, the handler shall make up such payment to the producer not later than the time of making payments to producers next following such disclosure.

(j) *Statements to producers.* In making payments to producers as prescribed in paragraph (a) of this section, each handler shall furnish each producer with a supporting statement, in such form that it may be retained by the producer, which shall show:

(1) The delivery period and the identity of the handler and of the producer;

(2) The pounds per shipment, the total pounds, and the average butterfat test of milk delivered by the producer;

(3) The minimum rate or rates at which payment to the producer is required under the provisions of paragraphs (a), (c), and (d) of this section;

(4) The rate which is used in making the payment, if such rate is other than the applicable minimum rate;

(5) The amount or the rate per hundredweight of each deduction claimed by the handler, including any deduction claimed under paragraph (b) of this section and § 913.9 together with a desciption of the respective deductions; and

(6) The net amount of payment to the producer.

§ 913.9 *Marketing service*—(a) *Deduction for marketing services.* Except as set forth in paragraph (b) of this section, each handler shall deduct 3 cents per hundredweight from the payments made to each producer other than himself pursuant to § 913.8 (a), with respect to all milk of each producer purchased or received by such handler during the delivery period, and shall pay such deductions to the market administrator on or before the 12th day after the end of such delivery period. Such moneys shall be expended by the market administrator for market information to, and for the verification of weights, sampling, and testing of milk received from, said producers.

(b) *Producers' cooperative associations.* In the case of producers for whom a cooperative association, which the Secretary determines to be qualified under the provisions of the act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act," is actually performing the services set forth in paragraph (a) of this section, each handler shall make the deductions from the payments to be made pursuant to § 913.8 (a), which are authorized by such producers, and, on or before the 12th day after the end of each delivery period, pay over such deductions to the associations of which such producers are members.

§ 913.10 *Expense of administration*—(a) *Payments by handlers.* As his prorata share of the expense of the administration hereof, each handler who purchased or received milk from producers, with respect to all milk received from producers during the delivery period, shall pay to the market administrator, on or before the 12th day after the end of such delivery period, an amount not exceeding 2 cents per hundredweight, which amount shall be determined by the market administrator, subject to review by the Secretary.

(b) *Suits by the market administrator.* The market administrator may maintain a suit in his own name against any handler for the collection of such handler's prorata share of expenses set forth in this section.

§ 913.11 *Effective time, suspension, or termination*—(a) *Effective time.* The provisions hereof, or any amendment hereto, shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated pursuant to paragraph (b) of this section.

(b) *Suspension or termination.* The Secretary may suspend or terminate this order, as amended, or any provision hereof, whenever he finds that this order, as amended, or any provision hereof, obstructs, or does not tend to effectuate the declared policy of the act. This order, as amended, shall terminate, in any event, whenever the provisions of the act authorizing it cease to be in effect.

(c) *Continuing power and duty of the market administrator.* If, upon the suspension or termination of any or all provisions hereof, there are any obligations arising hereunder the final accrual or ascertainment of which requires further acts by any handler, by the market administrator, or by any other person, the power and duty to perform such further acts shall continue notwithstanding such suspension or termination: *Provided,* That any such acts required to be performed by the market administrator shall, if the Secretary so directs, be performed by such other person, persons, or agency as the Secretary may designate.

(1) The market administrator, or such other person as the Secretary may designate, shall (i) continue in such capacity until removed by the Secretary, (ii) from time to time account for all receipts and disbursements and, when so directed by the Secretary, deliver all funds or property on hand together with the books and records of the market administrator, or such person, to such person as the Secretary may direct, and (iii) if so directed by the Secretary, execute

such assignments or other instruments necessary or appropriate to vest in such person full title to all funds, property, and claims vested in the market administrator or such person pursuant thereto.

(d) *Liquidation after suspension or termination.* Upon the suspension or termination of any or all provisions hereof, the market administrator, or such person as the Secretary may designate, shall liquidate, if so directed by the Secretary, the business of the market administrator's office and dispose of all funds and property then in his possession or under his control, together with claims for any funds which are unpaid or owing at the time of such suspension or termination. Any funds collected pursuant to the provisions hereof, over and above the amounts necessary to meet outstanding obligations and the expenses necessarily incurred by the market administrator or such person liquidating and distributing such funds, shall be distributed to the contributing handlers and producers in an equitable manner.

§ 913.12 *Agents.* The Secretary may, by designation in writing name any officer or employee of the United States, or name any bureau or division of the United States Department of Agriculture, to act as his agent or representative in connection with any of the provisions hereof.

Issued at Washington, D. C., this 22d day of November 1946, to be effective on and after the 1st day of December 1946.

[SEAL] CLINTON P. ANDERSON,
Secretary of Agriculture.

Approved: November 27, 1946.

JOHN R. STEELMAN,
Director of War Mobilization and Reconversion, Director of Economic Stabilization.

[F. R. Doc. 46-21102; Filed, Nov. 29, 1946; 5:14 p. m.]

PART 965—MILK IN THE CINCINNATI, OHIO, MARKETING AREA

MISCELLANEOUS AMENDMENTS

§ 965.0 *Findings and determinations*—(a) *Findings upon the basis of the hearing record.* Pursuant to Public Act No. 10, 73d Congress (May 12, 1933), as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (hereinafter referred to as the "act"), and the rules of practice and procedure governing proceedings to formulate marketing agreements and marketing orders (7 CFR, Cum. Supp., 900.1 et seq.; 10 F. R. 11791; 11 F. R. 7737), a public hearing was held October 18, 1946, upon certain proposed amendments to the tentatively approved marketing agreement and to the order, as amended, regulating the handling of milk in the Cincinnati, Ohio, marketing area. It is hereby found upon the basis of the evidence introduced at such hearing, in addition to the other findings made prior to or at the time of the original issuance of said order and of each amendment thereto (which findings are hereby ratified and affirmed, save only as such findings are in conflict with the findings hereinafter set forth), that:

(1) The order regulating the handling of milk in the said marketing area, as amended and as hereby amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the act;

(2) The prices calculated to give milk produced for sale in the Cincinnati, Ohio, marketing area a purchasing power equivalent to the purchasing power of such milk as determined pursuant to sections 2 and 8e of the act, are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supplies of and demand for such milk, and the minimum prices set forth in the said order, as amended and as hereby amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest;

(3) The said order, as amended and as hereby amended, regulates the handling of milk in the same manner, and is applicable only to persons in the respective classes of industrial and commercial activity, specified in a marketing agreement upon which a hearing has been held; and

(4) Any delay in the effective date of this order, as amended and as hereby amended, beyond that specified herein below will seriously threaten the supply of milk for the Cincinnati, Ohio, marketing area and therefore publication of this order not less than 30 days prior to its effective date (see section 4 (c), Administrative Procedure Act, Pub. Law 404, 79th Cong., 60 Stat. 237) is impracticable and contrary to the public interest.

(b) *Determinations.* It is hereby determined that handlers (excluding cooperative associations of producers who are not engaged in processing, distributing, or shipping the milk covered by this order, as amended) of more than 50 percent of the volume of milk covered by this order, which is marketed within the Cincinnati, Ohio, marketing area, refused or failed to sign the tentatively approved marketing agreement regulating the handling of milk in the said marketing area; and it is hereby further determined that:

(1) The refusal or failure of such handlers to sign said tentatively approved marketing agreement tends to prevent the effectuation of the declared policy of the act;

(2) The issuance of the said order, as amended and as hereby amended, is the only practical means pursuant to the declared policy of the act of advancing the interests of producers of milk which is produced for sale in the said marketing area; and

(3) The issuance of this order, further amending the aforesaid order, as amended, is approved or favored by at least two-thirds of the producers who, during the representative period, determined to be August 1946, were engaged in the production of milk for sale in the said marketing area.

Order Relative to Handling

It is hereby ordered, That such handling of milk in the Cincinnati, Ohio, marketing area as is in the current of interstate commerce or as directly burdens, obstructs, or affects interstate commerce in milk or its products, shall from the effective date hereof be in compliance with the terms and conditions of the said order, as amended and as hereby amended; and the said order, as amended, is hereby amended as follows:

1. Delete § 965.6 (a) (1) and substitute therefor the following:

(1) The price for Class I milk shall be the price for Class III milk plus $1.15: *Provided,* That from the effective date hereof to and including the delivery period of March 1947 the price for Class I milk shall not be less than $5.00.

2. Delete § 965.6 (a) (2) and substitute therefor the following:

(2) The price for Class II milk shall be the price for Class III milk plus $0.70: *Provided,* That from the effective date hereof to and including the delivery period of March 1947 the price for Class II milk shall not be less than $4.55.

3. Delete § 965.6 (a) (3) and substitute therefor the following:

(3) The price for Class III milk shall be that resulting from the following computation by the market administrator: determine the arithmetical average of the basic, or field, prices per hundredweight reported to have been paid (without deductions for hauling or other charges to be paid by the farm shipper) for milk of 4.0 percent butterfat content received during the delivery period at the following plants:

M. & R. Dietetic Laboratories, Inc., Chillicothe, Ohio.
Carnation Milk Company, Hillsboro, Ohio.
Nestle's Milk Products, Inc., Greenville, Ohio.
Nestle's Milk Products, Inc. (Osgood Milk Co.), Osgood, Ind.
Carnation Milk Company, Maysville, Ky.

Provided, That if the price so determined is less than the price computed by the market administrator in accordance with the following formula, such formula price shall be the price for Class III milk for the delivery period: multiply by 4 the average of daily prices per pound of 92-score butter at wholesale in the Chicago market, as reported by the United States Department of Agriculture (or such other agency as may hereafter be authorized to perform this price reporting function) during the delivery period, add 20 percent thereof, and add 3½ cents per hundredweight for each full one-half cent that the arithmetical average of the carlot prices for nonfat dry milk solids (not including that specifically designated animal feed) by spray and roller process f. o. b. manufacturing plants in the Chicago area, as published by such agency during the delivery period, is above 5½ cents per pound, except that if such agency does not publish such prices f. o. b. manufacturing plants, there shall be used for the purposes of this computation the arithmetical average of the carlot prices thereof, delivered at Chicago, Illinois, as published weekly by such agency during the delivery period; and in the latter event the figure "7½" shall be substituted for "5½" in the above formula.

4. Delete § 965.10 and substitute therefor the following:

§ 965.10 *Expense of administration*—(a) *Payments by handlers.* As his prorata share of expense incurred in the maintenance and functioning of the office of the market administrator and in the performance of the duties of the market administrator, each handler shall pay the market administrator, on or before the 17th day after the end of each delivery period, 2 cents per hundredweight, or such lesser amount as the Secretary may from time to time prescribe, with respect to all milk received from producers and produced by him during the delivery period: *Provided,* That any cooperative association which has handled milk during the delivery period under the conditions set forth in § 965.2 (f) shall pay such prorata share of expense of administration on only that quantity of milk so handled.

(48 Stat. 31, 670, 675; 49 Stat. 750; 50 Stat. 246; 7 U. S. C. 601 et seq.)

Issued at Washington, D. C., this 25th day of November 1946, to be effective on and after the 1st day of December 1946.

[SEAL] CLINTON P. ANDERSON,
Secretary of Agriculture.

Approved: November 27, 1946.

JOHN R. STEELMAN,
Director of War Mobilization and Reconversion, Director of Economic Stabilization.

[F. R. Doc. 46-21101; Filed, Nov. 29, 1946; 5:14 p. m.]

Chapter XI—Production and Marketing Administration (War Food Distribution Orders)

[WFO 139, Termination]

PART 1410—LIVESTOCK AND MEATS

TERMINATION OF CERTIFICATION

War Food Order No. 139, as amended (11 F. R. 5641), is hereby terminated.

This order shall become effective at 12:01 a. m., e. s. t., November 30, 1946. With respect to any certification which has been heretofore granted under the provisions of said War Food Order No. 139 and which is valid on the effective date of this termination order, and with respect to violations, rights accrued, liabilities incurred, or appeals taken under the said order prior to such date, all provisions of said order shall be deemed to remain in full force for the purpose of maintaining any right or privilege granted under Public Law 108, 79th Congress, and for the purpose of sustaining any proper suit, action, or other proceeding, with respect to any such violation, right, liability, or appeal.

(Pub. Law 108, 79th Cong., 59 Stat. 306; E. O. 9280, Dec. 5, 1942; E. O. 9577, June 29, 1945; 7 F. R. 10179, 10 F. R. 8087)

Issued this 27th day of November 1946.

CLINTON P. ANDERSON,
Secretary of Agriculture.

[F. R. Doc. 46-21076; Filed, Dec. 2, 1946; 8:48 a. m.]

TITLE 10—ARMY: WAR DEPARTMENT

Subtitle A—Organization, Functions and Procedures

PART 2—ORGANIZATION, FUNCTIONS AND PROCEDURES OF AGENCIES DEALING WITH THE PUBLIC

TRANSPORTATION CORPS

Pursuant to the provisions of section 3 (a) (1) and (2) of the Administrative Procedure Act of June 11, 1946, § 2.151 (b) (13) appearing at 11 F. R. 177A-793 is amended by changing the headnote to read as follows:

§ 2.151 *The Transportation Corps.* * * *

(b) *Organization.* * * *

(13) *Port and Field Services Division.* * * *

(Pub. Law 404, 79th Cong.)

[SEAL] EDWARD F. WITSELL,
Major General,
The Adjutant General.

[F. R. Doc. 46-21108; Filed, Dec. 2, 1946; 8:45 a. m.]

TITLE 29—LABOR

Chapter V—Wage and Hour Division, Department of Labor

PART 500—ORGANIZATION

Correction

In § 500.4 of F. R. Doc. 46-15433, appearing at page 177A-348 of Part II of the issue for Sept. 11, 1946, "§§ 2.6 and 2.7 of this title" is changed to read "§§ 2.7 and 2.8 of this title".

TITLE 32—NATIONAL DEFENSE

Chapter IX—Civilian Production Administration

AUTHORITY: Regulations in this chapter unless otherwise noted at the end of documents affected, issued under sec. 2 (a), 54 Stat. 676, as amended by 55 Stat. 236, 56 Stat. 177, 58 Stat. 827, and Public Laws 270 and 475, 79th Congress; Public Law 388, 79th Congress; E. O. 9024, 7 F. R. 329; E. O. 9040, 7 F. R. 527; E. O. 9125, 7 F. R. 2719; E. O. 9599, 10 F. R. 10155; E. O. 9638, 10 F. R. 12591; C. P. A. Reg. 1, Nov. 5, 1945, 10 F. R. 13714; Housing Expediter's Priorities Order 1, Aug. 27, 1946, 11 F. R. 9507.

PART 944—REGULATIONS APPLICABLE TO THE OPERATION OF THE PRIORITIES SYSTEM

[Priorities Reg. 18, Revocation of Direction 19]

DISPOSAL OF SURPLUS COPPER AND COPPER BASE ALLOY SCRAP BY WAR ASSETS ADMINISTRATION

Direction 19 to Priorities Regulation 13 is revoked. This revocation does not affect any liabilities incurred for violation of the Direction or of actions taken by the Civilian Production Administration under the Direction.

Issued this 2d day of December 1946.

CIVILIAN PRODUCTION ADMINISTRATION,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 46-21188; Filed, Dec. 2, 1946; 11:41 a. m.]

PART 944—REGULATIONS APPLICABLE TO THE OPERATION OF THE PRIORITIES SYSTEM

[Priorities Reg. 13, Direction 22, as Amended Dec. 2, 1946]

SALE OF CERTAIN TYPES OF COPPER BASE ALLOY SCRAP BY THE UNITED STATES ARMY, NAVY, OR MARITIME COMMISSION

The following direction is issued pursuant to Priorities Regulation 13:

(a) *What this direction does.* There is a critical shortage in the supply of certain types of copper base alloy scrap, and this material is not now readily obtainable in sufficient quantities from regular sources of supply. The purpose of this direction is to limit the sale of this material by the United States Army, Navy, or Maritime Commission to persons who have immediate need for it in order to provide the greatest possible relief for the civilian deficiencies and to assure the widest distribution of this critical material. This direction applies only to the following types of copper base alloy scrap:

Cartridge Brass ingots, slabs, discs, bars, partly or completely manufactured ammunition cases (new or demilitarized), fired cases or remelt ingot.

Gilding metal mill forms or remelt ingot.

(b) *Restrictions on sales by owning agencies.* The United States Army, Navy, or Maritime Commission may not sell any copper base alloy scrap of the types described in paragraph (a) to any person unless the sale has been specifically authorized by the Civilian Production Administration on Form CPAI 3677. In general, the Civilian Production Administration will authorize sales of copper base alloy scrap of the types described in paragraph (a) only to brass mills, wire mills, smelters and refiners who require the material for their own use in order to maintain their smelting or reprocessing operations at a minimum economic rate. Authorizations will not be granted for any person to obtain more material than the quantity which he will require to meet his current or scheduled operations during the next 30 days, less the amount he has on hand or expects to receive from other sources during that period.

(c) *Applications for copper base alloy scrap.* Any smelter or reprocessor who wishes to obtain copper base alloy scrap of the types described in paragraph (a) from the United States Army, Navy, or Maritime Commission may apply on Form CPA 4513, to the Copper Branch, Civilian Production Administration, Washington 25, D. C., Ref: PR-13, Direction 22.

(d) *Exceptions.* The restrictions of paragraph (b) do not apply to the following types of sales:

(1) Sales of any lot or lots of copper base alloy scrap of the types described in paragraph (a) where the gross weight of all the lots available at any one location at any one time does not exceed 10,000 pounds. Lots may not be subdivided for the purpose of making sales under this exception.

(2) Sales of scrap located outside the forty-eight states of the United States and the District of Columbia.

(3) Sales by the Reconstruction Finance Corporation for and on behalf of the owning agencies of any lots of scrap which, under War Assets Administration Regulation 17 the owning agencies are required to report to the Reconstruction Finance Corporation as strategic materials. (Priorities Regulation 34 gives the rules applicable to sales by Reconstruction Finance Corporation).

(4) Sales of contractor inventory if the owning agency has not taken possession of such inventory.

Issued this 2d day of December 1946.

CIVILIAN PRODUCTION ADMINISTRATION,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 46-21187; Filed, Dec. 2, 1946; 11:41 a. m.]

Chapter XI—Office of Price Administration

PART 1388—DEFENSE-RENTAL AREAS

[Transient Hotels, Residential Hotels, Rooming Houses and Motor Courts,[1] Amdt. 100 § 1388.1231)]

TRANSIENT HOTELS, RESIDENTIAL HOTELS, ROOMING HOUSES AND MOTOR COURTS

The Rent Regulation for Transient Hotels, Residential Hotels, Rooming Houses and Motor Courts is amended in the following respects:

1. The first paragraph of section 1 (a) is amended to read as follows:

SECTION 1. *Scope of this regulation—(a) Rooms in transient hotels, residential hotels, rooming houses and motor courts and Defense-Rental Areas to which this regulation applies.* This regulation applies to all accommodations in transient hotels,[2] to all rooms in residential hotels, rooming houses and motor courts, and to all accommodations brought under this regulation by consent of the Area Rent Director pursuant to section 1 (e), within each of the Defense-Rental Areas and each of the portions of a defense-rental area (each of which is referred to hereinafter in this regulation as the "Defense-Rental Area"), which are listed in Schedule A of this regulation, except as provided in paragraph (b) of this section, and except accommodations and rooms in certain Defense-Rental Areas decontrolled as specifically noted in said Schedule A.

2. The application of the Rent Regulation for Transient Hotels, Residential Hotels, Rooming Houses and Motor Courts is terminated in the Gainesville Defense-Rental Area, Texas, and consequently, the above-named area is decontrolled.

3. The application of the Rent Regulation for Transient Hotels, Residential Hotels, Rooming Houses and Motor Courts is terminated in a portion of the Columbia, South Carolina Defense-Rental Area, consequently a portion of the above-named area is decontrolled and Item 278 in Schedule A of the Rent Regulation for Transient Hotels, Residential Hotels, Rooming Houses and Motor Courts is amended to read as follows:

(278) Columbia, S. C.	South Carolina	Aiken County except the Townships of Chinquepin, Giddy Swamp, Hopewell, McTier, Millbrook, Rocky Grove, Rocky Springs, Shaws, Tabernacle, and Windsor.	Mar. 1, 1942	Oct. 1, 1942	Nov. 15, 1942
		Calhoun, Lexington, and Richland	do	Nov. 1, 1942	Jan. 14, 1943
		Sumter	do	Dec. 1, 1942	Jan. 15, 1943
		Florence	do	May 1, 1943	June 15, 1943

4. Items 13, 162, and 306 in Schedule A are amended by footnoting them as follows:

(13) Fort Huachuca [1]	Arizona	Cochise and Santa Cruz	Mar. 1, 1942	Oct. 1, 1942	Nov. 15, 1942
(162) Biloxi-Pascagoula [2]	Mississippi	Harrison and Jackson	Apr. 1, 1941	July 1, 1942	Aug. 15, 1942
(306) Brownwood [1]	Texas	Brown, Coleman, and Comanche	Jan. 1, 1941	do	Do.

[1] Decontrolled as to accommodations in transient hotels and rooms in motor courts.
[2] Decontrolled as to accommodations in transient hotels.

This amendment shall become effective December 1, 1946.

Issued: November 29, 1946.

PAUL A. PORTER,
Administrator.

Statement To Accompany Amendment 107 to the Rent Regulation for Housing, and Amendment 100 to the Rent Regulation for Transient Hotels, Residential Hotels, Rooming Houses and Motor Courts

By these amendments the application of the rent regulation is terminated in the Gainesville Defense-Rental Area, consisting of the County of Cooke in Texas, and in a portion of the Columbia, South Carolina Defense-Rental Area, consisting of the Townships of Chinquepin, Giddy Swamp, Hopewell, McTier, Millbrook, Rocky Grove, Rocky Springs, Shaws, Tabernacle, and Windsor in Aiken County.

Also by the above amendment to the Rent Regulation for Transient Hotels, Residential Hotels, Rooming Houses and Motor Courts the application of that regulation is terminated as to accommodations in transient hotels in the Biloxi-Pascagoula Defense-Rental Area, Mississippi, and as to accommodations in transient hotels and rooms in motor courts in the Fort Huachuca Defense-Rental Area, Arizona, and in the Brownwood Defense-Rental Area, Texas.

In the judgment of the Price Administrator, these amendments are necessary and proper in order to effectuate the purposes of the Emergency Price Control Act.

No provisions which might have the effect of requiring a change in established rental practices have been included in the amendments unless such provisions have been found necessary to achieve effective rent control and to prevent circumvention or evasion of the rent regulations and the act. To the extent that the provisions of these amendments compel or may operate to compel changes in established rental practices, such provisions are necessary to prevent circumvention or evasion of the rent regulations and the act.

[F. R. Doc. 46-21150; Filed, Nov. 29, 1946; 4:35 p. m.]

PART 1388—DEFENSE-RENTAL AREAS

[Housing,[1] Amdt. 107 (§ 1388.1181)]

HOUSING

The Rent Regulation for Housing is amended in the following respects:

1. The application of the Rent Regulation for Housing is terminated in the Gainesville Defense-Rental Area in Texas, and consequently the above-named area is decontrolled.

2. The application of the Rent Regulation for Housing is terminated in a portion of the Columbia, South Carolina Defense-Rental Area, consequently, a portion of the above-named area is decontrolled and Item 278 in Schedule A of the Rent Regulation for Housing is amended to read as follows:

(278) Columbia, S. C.	South Carolina	Aiken County except Townships of Chinquepin, Giddy Swamp, Hopewell, McTier, Millbrook, Rocky Grove, Rocky Springs, Shaws, Tabernacle, and Windsor.	Mar. 1, 1942	Oct. 1, 1942	Nov. 15, 1942
		Calhoun, Lexington, and Richland	do	Nov. 1, 1942	Jan. 14, 1943
		Sumter	do	Dec. 1, 1942	Jan. 15, 1943
		Florence	do	May 1, 1943	June 15, 1943

[1] 11 F. R. 13032, 13056, 13305.
[2] All housing accommodations in a transient hotel are considered "rooms" for the purposes of this regulation. See definition of room in section 13 (a) (7).
[3] 11 F. R. 12055, 13028, 13309.

This amendment shall become effective December 1, 1946.

Issued: November 29, 1946.

PAUL A. PORTER,
Administrator.

Statement To Accompany Amendment 107 to the Rent Regulation for Housing, and Amendment 100 to the Rent Regulation for Transient Hotels, Residential Hotels, Rooming Houses and Motor Courts

By these amendments the application of the rent regulation is terminated in the Gainesville Defense-Rental Area, consisting of the County of Cooke in Texas, and in a portion of the Columbia, South Carolina Defense-Rental Area, consisting of the Townships of Chinquepin, Giddy Swamp, Hopewell, McTier, Millbrook, Rocky Grove, Rocky Springs, Shaws, Tabernacle, and Windsor in Aiken County.

Also by the above amendment to the Rent Regulation for Transient Hotels, Residential Hotels, Rooming Houses and Motor Courts the application of that regulation is terminated as to accommodations in transient hotels in the Biloxi-Pascagoula Defense-Rental Area, Mississippi, and as to accommodations in transient hotels and rooms in motor courts in the Fort Huachuca Defense-Rental Area, Arizona, and in the Brownwood Defense-rental Area, Texas.

In the judgment of the Price Administrator, these amendments are necessary and proper in order to effectuate the purposes of the Emergency Price Control Act.

No provisions which might have the effect of requiring a change in established rental practices have been included in the amendments unless such provisions have been found necessary to achieve effective rent control and to prevent circumvention or evasion of the rent regulations and the act. To the extent that the provisions of these amendments compel or may operate to compel changes in established rental practices, such provisions are necessary to prevent circumvention or evasion of the rent regulations and the act.

[F. R. Doc. 46-21149; Filed, Nov. 29, 1946; 4:35 p. m.]

PART 1300—PROCEDURE

[2d Rev. Procedural Reg. 4]

PROCEDURE FOR ISSUANCE OF RATIONING AND PRIORITIES SUSPENSION ORDERS AND DETERMINATIONS OF VIOLATIONS

ARTICLE I—SCOPE AND APPLICATION OF SECOND REVISED PROCEDURAL REGULATION 4

Sec.
1300.151 Scope of regulation.

ARTICLE II—INSTITUTION AND CONDUCT OF PROCEEDINGS

1300.152 Institution of proceedings.
1300.153 Notice of hearing.
1300.154 Conduct of hearing.
1300.155 Rules of evidence.
1300.156 Appearances.
1300.157 Continuance or adjournment of hearing.
1300.158 Defaults.
1300.159 Subpoenas.
1300.160 Payment of witness fees and mileage.
1300.161 Contemptuous conduct.
1300.162 Transcript of hearings.
1300.163 Presiding Officer's advisory report: service.
1300.164 Briefs on Presiding Officer's advisory report.
1300.165 Briefs after hearing before Hearing Commissioner.

ARTICLE III—ORDERS AND DETERMINATIONS OF HEARING COMMISSIONERS

1300.166 Suspension order or determination of Hearing Commissioner.
1300.167 Stay of operation of suspension order.
1300.168 Consent order or determination.
1300.169 Application for modification, vacation or further hearing in suspension order proceedings.
1300.170 Order upon application.

ARTICLE IV—APPEALS FROM ORDERS OF WAR PRICE AND RATIONING BOARDS OR SPECIAL HEARING OFFICERS

1300.171 Appeals from orders of Boards or Special Hearing Officers.

ARTICLE V—APPEALS TO, REVIEW AND HEARING BY HEARING ADMINISTRATOR

1300.172 Hearing and order by the Hearing Administrator.
1300.173 Petition for reconsideration of order or determination of Hearing Administrator under § 1300.172.
1300.174 Appeals from orders or determinations of Hearing Commissioners.
1300.175 Notice of appeal.
1300.176 Stay pending appeal.
1300.177 Record on appeal.
1300.178 Briefs.
1300.179 Oral argument.
1300.180 Order on appeal.
1300.181 Review on initiative of Hearing Administrator.

ARTICLE VI—MISCELLANEOUS

1300.182 Service of papers.
1300.183 Office hours of Office of Hearing Commissioners and Hearing Administrator: filing.
1300.184 Definitions.
1300.185 Effective date.

AUTHORITY: §§ 1300.151 through 1300.185, inclusive, issued pursuant to 56 Stat. 177, as amended by: 58 Stat. 827, 59 Stat. 658, and Pub. Law 475, 79th Cong.; Pub. Law 388, 79th Cong.; E. O. 9280, 7 F. R. 10179; E. O. 9745, 11 F. R. 7327; W. F. O. 56, 8 F. R. 2005, 9 F. R. 4319; W. F. O. 61, 8 F. R. 3471, 9 F. R. 4319; W. F. O. 64, 8 F. R. 7093, 9 F. R. 4319; W. F. O. 123, 10 F. R. 1125, 4194; H. E. P. O. 2, 11 F. R. 9507.

Revised Procedural Regulation 4 is redesignated Second Revised Procedural Regulation 4 and is revised and amended to read as follows:

ARTICLE I—SCOPE AND APPLICATION OF SECOND REVISED PROCEDURAL REGULATION 4

§ 1300.151 *Scope of regulation.* (a) This regulation governs suspension proceedings and determination proceedings of the Office of Price Administration. A suspension proceeding is a proceeding instituted to determine whether a rationing suspension order or a priorities suspension order should be issued. A determination proceeding is a proceeding instituted to ascertain whether there has been a violation of a rationing regulation or order. A rationing suspension proceeding and a determination proceeding may be joined and one hearing held for both proceedings.

(b) This regulation does not apply to suspension or revocation proceedings before War Price and Rationing Boards or Special Hearing Officers, but Article IV prescribes the procedure on appeal from orders issued in such proceedings.

ARTICLE II—INSTITUTION AND CONDUCT OF PROCEEDINGS

§ 1300.152 *Institution of proceedings.* A proceeding for the issuance of a suspension order or determination shall be instituted by the service of a notice of hearing upon the respondent not less than seven (7) days before such hearing.

§ 1300.153 *Notice of hearing.* (a) A notice of any hearing to be held pursuant to this regulation shall be issued by and in the name of the Regional Enforcement Executive. It shall set forth the time and place of hearing, a clear statement of the charges against the respondent with a reference to the particular section of the regulation, order or directive involved or alleged to have been violated, and a statement of the purpose or purposes for which the hearing is to be held. The notice shall also state that a suspension order or determination may be entered by default in case of failure to appear at the hearing.

(b) The notice of hearing shall, in regions having branch offices, set forth the name and address of the Attorney in Charge of the branch office or other person upon whom, pursuant to this regulation, service shall be made of notices, applications, briefs or other papers, and in regions not having branch offices, the name and address of the Regional Enforcement Executive or other person upon whom such service shall be made.

(c) A copy of Second Revised Procedural Regulation 4 shall be attached to the notice of hearing served upon any respondent.

§ 1300.154 *Conduct of hearing.* (a) Any hearing held pursuant to this regulation shall be conducted by a Hearing Commissioner or by a Presiding Officer designated by the Chief Hearing Commissioner to conduct the hearing. The Hearing Commissioner or Presiding Officer shall preside at the hearing, administer oaths and affirmations, and rule on the admission and exclusion of evidence.

(b) The hearing shall be so conducted as to permit the presentation of evidence and argument to the fullest extent compatible with fair and expeditious determination of the issues raised in the hearing. To this end:

(1) The respondent shall have the right to be represented by counsel of his own choosing.

(2) The Hearing Commissioner or Presiding Officer shall afford reasonable opportunity for cross-examination of witnesses.

(3) All hearings held pursuant to this regulation shall be public.

§ 1300.155 *Rules of evidence.* The rules of evidence governing civil proceedings in matters not involving trial by jury in the courts of the United States shall govern all hearings: *Provided, however,* That such rules may be relaxed by the Hearing Commissioner or Presiding

Officer where the ends of justice will be better served by so doing.

§ 1300.156 *Appearances.* Any individual respondent may appear for himself; any partner may appear for a partnership if expressly or impliedly authorized to do so; any officer of a corporation or association may appear for such corporation or association. Any respondent may appear by an attorney. No other person may appear for a respondent unless specifically authorized in writing by such respondent. All appearances shall be noted on the record of the proceeding. Appearances of Office of Price Administration employees and former employees in a representative capacity shall be governed by the provisions of Procedural Regulation No. 14.[1]

§ 1300.157 *Continuance or adjournment of hearing.* The hearing shall be held at the time and place specified by the notice of hearing but the Hearing Commissioner or Presiding Officer may continue or adjourn the hearing to a later date or to a different place. Notice of such adjournment or continuance shall be given either prior to or at the hearing.

§ 1300.158 *Defaults.* (a) If a respondent fails to appear at a hearing the charges set forth in the notice of hearing may be deemed to be admitted by default, and a hearing need not be held. The Regional Enforcement Executive shall, however, present evidence relevant to the determination of the effective period of any suspension order.

(b) At any time within ten (10) days after the service of an order or determination issued after a default, the respondent may file with the Hearing Commissioner a petition for the reopening of the proceeding, setting forth the grounds on which he believes his default should be excused. A copy of such petition shall be served as provided in § 1300.182 (b). Within three (3) days after such service, the Regional Enforcement Executive may file with the Hearing Commissioner affidavits and a brief in opposition, a copy of which shall be served on the respondent at or prior to the time of filing. The Hearing Commissioner shall grant or deny the petition by order. If the Hearing Commissioner grants the petition, his order shall set aside the order or determination to which the petition is directed and shall set forth the time and place for the hearing.

§ 1300.159 *Subpoenas.* (a) Any Hearing Commissioner may, upon proper application, issued subpoenas compelling the attendance and testimony of witnesses and the production of evidence at a hearing conducted under this regulation.

(b) An applicant for a subpoena shall specify the name and address of the witness and the nature of the facts to be proved by him, and, if calling for the production of evidence, shall specify the same with such particularity as will enable it to be identified for purposes of production.

[1] 9 F. R. 1594.

(c) A subpoena may be served by any person, including a party, who is 18 years of age or over. Service of a subpoena upon a person named therein shall be made by delivering a copy thereof to such person and by tendering to him the fee and mileage for one day's attendance. When the subpoena is issued on behalf of the Office of Price Administration, fees and mileage need not be tendered. The verified return of the person making the service shall be proof of service.

§ 1300.160 *Payment of witness fees and mileage.* Witnesses summoned before a Hearing Commissioner or Presiding Officer at any hearing held pursuant to this regulation shall be paid the same fees and mileage as are paid witnesses in the District Courts of the United States. Witness fees and mileage shall be paid by the party at whose instance the witness appears.

§ 1300.161 *Contemptuous conduct.* Contemptuous conduct at any hearing shall be ground for exclusion from the hearing.

§ 1300.162 *Transcript of hearings.* (a) A stenographic report of all hearings shall be taken. The report shall be transcribed only if the transcription is requested by a party to the proceeding or the Hearing Commissioner, or if the case is heard by a Presiding Officer. Any party may obtain a copy of the transcript. The cost of a transcription requested by a respondent shall be borne by such respondent. If the report is transcribed at the request of the Hearing Commissioner or the Regional Enforcement Executive, a copy shall be available for inspection by the respondent during business hours at the branch office or, in regions not having branch offices, at the regional office, or at such other place as may be designated by the Hearing Commissioner. Argument of counsel shall not be included in the report except at the direction of the Hearing Commissioner or Presiding Officer.

(b) The parties may, by stipulation, agree upon corrections of inaccuracies in the transcript. The Hearing Commissioner or Presiding Officer, whichever presided at the hearing, shall, by written findings, resolve any dispute of the parties as to the accuracy of the transcript.

§ 1300.163 *Presiding Officer's advisory report: service.* (a) A Presiding Officer who has conducted a hearing shall prepare an advisory report, which shall contain findings of fact, conclusions of law, and recommendations with respect to the disposition of the matter.

(b) The advisory report shall be filed with the Hearing Commissioner, and copies thereof shall be served on the respondent and the Regional Enforcement Executive.

§ 1300.164 *Briefs on Presiding Officer's advisory report.* (a) Any party may submit to the Hearing Commissioner a brief in opposition to or in support of the report of the Presiding Officer.

(b) Such briefs shall be filed within five (5) days after the service of the Presiding Officer's report. The brief shall be filed with the Hearing Commissioner and a copy thereof served upon the opposing party at or before the time of filing.

(c) Briefs may be filed after the time prescribed by paragraph (b) of this section only with the permission of the Hearing Commissioner.

§ 1300.165 *Briefs after hearing before Hearing Commissioner.* The Hearing Commissioner may, upon request of any party to a proceeding conducted by him, permit the filling of briefs or written argument. Such briefs or written argument shall be filed within such time as the Hearing Commissioner may prescribe.

ARTICLE III—ORDERS AND DETERMINATIONS OF HEARING COMMISSIONERS

§ 1300.166 *Suspension order or determination of Hearing Commissioner.* (a) If the Hearing Commissioner finds in a rationing suspension proceeding that a respondent has violated a rationing regulation or order, he may issue a rationing suspension order. If the Hearing Commissioner finds in a priorities suspension proceeding that a respondent has violated any regulation, order or directive implementing or in furtherance of the Veterans' Emergency Housing program, the enforcement of which has been delegated to the Office of Price Administration, he may issue a priorities suspension order. If the Hearing Commissioner finds in a determination proceeding that a respondent has violated a rationing regulation or order, he may issue a determination of violation.

(b) Any suspension order or determination hereunder, except a consent order issued under § 1300.168, shall set forth the findings of fact and conclusions of law upon which it is based and shall contain a statement of the reasons why a suspension order or determination should be issued, unless such findings of fact, conclusions of law and statement of reasons are set forth in an opinion accompanying the order or determination.

(c) If the Hearing Commissioner determines that no suspension order should be issued, he shall issue an order dismissing the proceeding or issue an admonitory order. If the Hearing Commissioner concludes in a determination proceeding that no violation has occurred, he shall issue an order dismissing the proceeding. The findings of fact, conclusions of law and a statement of the reasons why an order of dismissal or an admonitory order should be issued shall be set forth in the order or determination or in an opinion accompanying the same.

(d) A suspension order under this section may contain such provisions as may be deemed appropriate to make it effective.

§ 1300.167 *Stay of operation of suspension order.* (a) A Hearing Commissioner may, for good cause, provide in a suspension order that the operation thereof shall be stayed in whole or in part for so long as the respondent shall comply with rationing orders, or with regulations, orders or directives implementing or in furtherance of the Veterans' Emergency Housing program, the

enforcement of which has been delegated to the Office of Price Administration, or with the conditions set forth in the suspension order.

(b) The Regional Enforcement Executive may at any time file an application with the Hearing Commissioner or, in the Hearing Commissioner's absence, with the Chief Hearing Commissioner, to have such a stay vacated. Such application shall be served upon the respondent, shall set forth a detailed statement of charges of further violations by the respondent of a specific order, regulation or directive (of the type referred to in paragraph (a) of this section) and shall contain affidavits or other proofs of such violations. The application shall contain a statement fixing a time, which shall not be less seven (7) days after service, within which the respondent may file with the Hearing Commissioner or Chief Hearing Commissioner, as the case may be, answering affidavits, proofs, and written arguments.

(c) The Hearing Commissioner or Chief Hearing Commissioner, as the case may be, may, either upon the written proofs submitted by the parties or upon further hearing ordered by him, enter an order vacating the stay in whole or in part. All proofs submitted and the record of any further hearing shall become part of the record of the original proceeding.

(d) Any Hearing Commissioner may, in an order issued in a suspension proceeding under this regulation, vacate a stay of the operation of a suspension order previously issued against the same respondent.

§ 1300.168 *Consent order or determination.* If the Hearing Commissioner approves an agreement entered into by the Regional Enforcement Executive and a respondent with respect to the terms of a suspension order or determination, he shall issue the order or determination agreed upon, and such order or determination shall have the same force and effect as an order or determination issued under § 1300.166 except that no appeal to the Office of the Hearing Administrator may be taken therefrom.

§ 1300.169 *Application for modification, vacation or further hearing in suspension order proceedings.* (a) The Regional Enforcement Executive or a respondent may file with the Hearing Commissioner an application for modification, vacation or further hearing of a suspension order issued by the Hearing Commissioner under § 1300.166, from which no appeal is pending. Any application so filed shall be accompanied by proof of service thereof upon the opposing party. Any such application by the respondent shall be served as provided in § 1300.182 (b).

(b) The application may include affidavits or a brief in support thereof, shall state in detail the grounds upon which the order should be modified, vacated or set for re-hearing in accordance with § 1300.170.

(c) The opposing party may, within three (3) days after receipt of service of the application, or such longer period as the Hearing Commissioner may allow, file with the Hearing Commissioner a brief and affidavits in opposition to the application.

(d) At any time after the filing of such an application, the Hearing Commissioner may, in his discretion, stay the suspension order to which the application relates, pending determination of the application.

§ 1300.170 *Order upon application.* (a) A Hearing Commissioner may by order, at any time, save when an appeal is pending or an order has been entered on appeal by the Hearing Administrator, modify or vacate an order issued by him to correct errors of fact or law disclosed by the record. No oral hearing will be held on such application.

(b) At any time after the issuance of a Hearing Commissioner's order or an order on appeal therefrom, except when an appeal is pending, the Hearing Commissioner may set the proceeding for a further hearing upon a showing to his satisfaction:

(1) That the applicant will produce additional material evidence which the applicant could not have produced at the original hearing by the exercise of reasonable diligence, or

(2) That material changes in conditions or circumstances cause the suspension order to be detrimental to the public interest.

(c) A Hearing Commissioner may, at any time, either upon his own motion or upon motion of either party, modify his order to correct a clerical error or omission, or to change the effective dates of the order.

(d) An order may not be modified, vacated, or set for further hearing by the Hearing Commissioner for reasons other than those stated in paragraphs (a), (b), and (c) of this section, unless it affirmatively appears to the Hearing Commissioner that refusal to take such action would be wholly inconsistent with the just and proper disposition of the proceeding.

ARTICLE IV—APPEALS FROM ORDERS OF WAR PRICE AND RATIONING BOARDS OR SPECIAL HEARING OFFICERS

§ 1300.171 *Appeals from orders of Boards or Special Hearing Officers.* (a) Whenever a right to appeal to a Hearing Commissioner from an order of a War Price and Rationing Board or a Special Hearing Officer is granted by a rationing order or regulation, such appeal may be taken within the time and in the manner prescribed by the rationing order or regulation.

(b) The appeal shall be heard by the Hearing Commissioner or a Presiding Officer and determined by the Hearing Commissioner in the same manner as if it were an original proceeding instituted by a notice of hearing issued under § 1300.152.

(c) The Hearing Commissioner may, for good cause shown upon application by the respondent, stay or suspend the operation of an order issued by a War Price and Rationing Board or a Special Hearing Officer pending the hearing and determination of the appeal.

(d) Any order issued by the Hearing Commissioner upon the determination of the appeal shall supersede the order from which the appeal was taken. No appeal may be taken to the Office of the Hearing Administrator from such an order issued by the Hearing Commissioner.

ARTICLE V—APPEALS TO, REVIEW AND HEARING BY HEARING ADMINISTRATOR

§ 1300.172 *Hearing and order by the Hearing Administrator.* (a) At any time after the service of the notice of hearing and before the service of the order or determination of the Hearing Commissioner, the Hearing Administrator may direct that the proceedings be brought before him.

(b) Notice that the proceedings are to be brought before the Hearing Administrator shall be served upon the Regional Enforcement Executive, the respondent and the Hearing Commissioner.

(c) Proceedings brought before the Hearing Administrator shall be conducted in the same manner as if brought before a Hearing Commissioner.

§ 1300.173 *Petition for reconsideration of order or determination of Hearing Administrator under § 1300.172.* (a) Any party may file with the Hearing Administrator a petition for reconsideration of an order or determination issued by the Hearing Administrator under § 1300.172.

(b) The petition for reconsideration shall be served and filed in the same manner as a notice of appeal under § 1300.175, and such petition shall conform to the requirements for notices of appeal prescribed in § 1300.175 (b). The procedures on such petition shall be the same as on an appeal.

§ 1300.174 *Appeals from orders or determinations of Hearing Commissioners.* A respondent or the Regional Enforcement Executive may appeal to the Office of the Hearing Administrator from any order or determination issued under § 1300.166 or § 1300.167 (c) other than an order entered by default. A respondent may appeal to the Office of the Hearing Administrator from an order issued under § 1300.158, denying a petition to reopen a defaulted proceeding.

§ 1300.175 *Notice of appeal.* (a) An appeal may be taken by serving a notice of appeal on the Hearing Commissioner and the other party or parties to the proceeding within ten (10) days (or in the case of orders or determinations issued in the Territories and Possessions, within thirty (30) days) after service of the order or determination appealed from. Where the respondent is the appealing party service of the notice of appeal upon the other party shall be made as provided in § 1300.182 (b). A copy of the notice of appeal with proof of such service shall be filed with the Office of the Hearing Administrator, Washington, D. C., within five (5) days after the taking of the appeal. The Hearing Administrator, for good cause shown, may extend the time within which an appeal may be taken.

(b) The notice of appeal shall contain (1) a reference to the findings of fact

and conclusions of law, if any, to which exception is taken, (2) a brief statement of the grounds for such exceptions, (3) the modifications proposed with respect to the order or determination appealed from, and (4) a brief statement of the reasons supporting such proposed modifications. The Hearing Administrator may dismiss any appeal if the notice of appeal is deficient in such respects.

(c) The appealing party shall, within ten (10) days after taking the appeal, or such longer period as the Chief Hearing Commissioner shall allow, file in the Office of the Chief Hearing Commissioner the transcript of the stenographic report of the hearing unless the preparation of the transcript was requested by the Hearing Commissioner or the case was heard by a Presiding Officer.

§ 1300.176 *Stay pending appeal.* The taking of an appeal shall not automatically stay the operation of the order or determination appealed from. A Hearing Commissioner may, however, for good cause shown, upon application of any party, stay or suspend the operation of a suspension order pending the determination of the appeal. A copy of such application shall be served upon the opposing party at or before the time it is filed with the Hearing Commissioner. If the Hearing Commissioner does not act upon such application within three (3) days after filing, or denies such application, the requesting party may apply for a stay pending determination of the appeal to the Office of the Hearing Administrator, Washington, D. C.

§ 1300.177 *Record on appeal.* The Chief Hearing Commissioner shall, within three (3) days after the receipt of the notice of appeal or the stenographic transcript, whichever is later, send to the Office of the Hearing Administrator the complete record in the case which shall include:

(a) The notice of hearing and proof of service thereof;

(b) The transcript of testimony and all exhibits;

(c) The Presiding Officer's report and briefs in support and opposition thereto, if any;

(d) The order or determination of the Hearing Commissioner with proof of service thereof and the accompanying opinion, if any;

(e) The stay order, if any; and

(f) All petitions, applications, or motions filed and orders issued in the proceeding.

§ 1300.178 *Briefs.* (a) Any party to the appeal may submit to the Office of the Hearing Administrator a brief in support of or in opposition to the order or determination of the Hearing Commissioner.

(b) A copy of the brief submitted on behalf of an appealing party, together with proof of service of a copy thereof upon the opposing party, shall be filed with the Office of the Hearing Administrator, Washington, D. C., within ten (10) days after the taking of the appeal. Within five (5) days after receipt of a copy of the appealing party's brief, a copy of the brief submitted on behalf of the opposing party, together with proof of service of a copy thereof upon the appealing party, shall be filed with the Office of the Hearing Administrator, Washington, D. C. In a case in which a brief on behalf of the appealing party has not been served on the opposing party within ten (10) days after the taking of the appeal, the Office of the Hearing Administrator, upon application therefor, may permit the filing of a brief on behalf of the opposing party. In the case of an appeal from an order or determination issued in a Territory or Possession twenty (20) days shall be added to the times specified for the filing of briefs. Reply briefs will not be allowed except with the permission of the Office of the Hearing Administrator.

(c) Briefs may be filed after the time prescribed by paragraph (b) of this section only with the permission of the Office of the Hearing Administrator.

§ 1300.179 *Oral argument.* The Hearing Administrator may, upon application or upon his own motion, order that oral argument be heard before him the Deputy Hearing Administrator, or any Assistant Hearing Administrator.

§ 1300.180 *Order on appeal.* (a) The Hearing Administrator may affirm, reverse, or modify the order or determination of the Hearing Commissioner, or remand the proceeding with directions.

(b) Copies of the order on appeal shall be served on the respondent and the Regional Enforcement Executive.

(c) The provisions of this section applicable to the Hearing Administrator shall apply to the Deputy Hearing Administrator or any Assistant Hearing Administrator, when either is acting in lieu of the Hearing Administrator pursuant to paragraph (b) of Second Revised General Order 46.

§ 1300.181 *Review on initiative of Hearing Administrator.* (a) If neither the Regional Enforcement Executive nor the respondent appeals within the time prescribed in § 1300.175, the Hearing Administrator may review the case on his own motion. The Hearing Administrator may review on his own motion, any order or determination issued by a Hearing Commissioner from which an appeal does not lie.

(b) The Hearing Administrator shall initiate a review under paragraph (a) of this section by serving a notice of intention to review on the Regional Enforcement Executive and the respondent.

(c) A review proceeding under this section shall be conducted in the same manner as an appeal except that the time for filing briefs shall be computed from the time of service of the notice of intention to review.

ARTICLE VI—MISCELLANEOUS

§ 1300.182 *Service of papers.* (a) Notices, orders, and other process and papers may be served personally, or by leaving a copy thereof at the residence or during usual business hours at the principal office or place of business of the person to be served, or by registered mail or by telegraph. Service by registered mail or by telegraph is complete upon mailing or upon delivery of the text of the telegram to a telegraph office. The verified return of the person making the service, or where service is by registered mail or telegraph the verified return of the person making the service and the return post office or telegraph receipt shall be proof of service.

(b) All notices, applications, briefs or other papers which a respondent is required to serve, pursuant to this regulation, except as otherwise specifically provided herein, shall be served upon the person designated in the notice of hearing for service of papers, and if no such person be designated then upon the Regional Enforcement Executive for the region in which the proceeding is instituted.

§ 1300.183 *Office hours of Office of Hearing Commissioners and Hearing Administrator: filing.* The Offices of the Hearing Administrator and the Hearing Commissioners shall be open daily (except Saturday) from 9 a. m. until 5 p. m. Any person desiring to file papers at any time other than the regular hours stated, may file a written applicaation with the appropriate Hearing Commissioner or the Hearing Administrator, if such papers are to be filed with him, requesting permission therefor. Whenever service is required of papers submitted for filing, proof of such service must accompany the papers.

§ 1300.184 *Definitions.* As used in this regulation, unless the context otherwise requires, the term:

(a) "Hearing Administrator" means the Hearing Administrator of the Office of Price Administration or any duly designated person temporarily so acting.

(b) "Office of the Hearing Administrator" includes the Hearing Administrator, the Deputy Hearing Administrator, and any Assistant Hearing Administrator of the Office of Price Administration, located at Washington, D. C.

(c) "Hearing Commissioner" means the Chief Hearing Commissioner of the Office of Price Administration for the region in which the proceeding is instituted, or such Hearing Commissioner as may be authorized to determine a proceeding held pursuant to this procedural regulation.

(d) "Regional Enforcement Executive" means the Enforcement Executive of the Office of Price Administration for the region in which the proceeding is instituted or an attorney authorized to act for the Regional Enforcement Executive in any proceeding conducted pursuant to this regulation.

(e) "Branch Office" means the branch office of the Regional Enforcement Division of the Office of Price Administration for the area in which the proceeding is instituted.

(f) "Suspension order" includes a rationing suspension order and a priorities suspension order.

(1) "Rationing suspension order" means an order of allocation which regulates or suspends for a period the acquisition, sale, transfer, delivery or other disposition or use of rationed commodities or facilities, issued against a person who has acted in violation of a ration order or regulation.

(2) "Priorities suspension order" means an order which revokes, denies or suspends authorization, or priorities assistance, or both, issued against a person who has acted in violation of a regulation, order or directive implementing or in furtherance of the Veterans' Emergency Housing program, the enforcement of which has been delegated to the Office of Price Administration.

(g) "Rationing regulation or order" means any regulation or order of the Office of Price Administration issued pursuant to any Directive of the War Food Administrator or the Secretary of Agriculture, or any other delegation of authority conferred by section 2 (a) of the Second War Powers Act.

§ 1300.185 *Effective date.* This Second Revised Procedural Regulation 4 shall become effective at 12:01 a. m. on December 7, 1946. It governs all proceedings in cases instituted on and after that date. Unless the Hearing Administrator otherwise directs, it shall also govern all future proceedings in cases then pending.

Issued this 2d day of December 1946.

PAUL A. PORTER,
Administrator.

[F. R. Doc. 46-21185; Filed, Dec. 2, 1946; 10:58 a. m.]

PART 1300—PROCEDURE

[Rev. Procedural Reg. 11]

COMMON CARRIERS AND OTHER PUBLIC UTILITIES; NOTICE OF INCREASE IN RATES AND CHARGES

Procedural Regulation No. 11[1] is redesignated Revised Procedural Regulation No. 11 and is revised and amended to read as follows:

Pursuant to the authority conferred by the Emergency Price Control Act of 1942, as amended, including sections 2 (a), 201 (d), and 202 (a) of that act and sections 1, 2, and 7 (b) of the act to amend the Emergency Price Control Act of 1942, Executive Order No. 9250,[2] dated October 3, 1942, Directive No. 1 of the Director of Economic Stabilization,[3] and other directives, the following rules are prescribed for the filing of notices of proposed general increases in rates or charges of common carriers and other public utilities.

Sec.
1300.901 Definition.
1300.902 General requirements with respect to notices.
1300.903 Contents of notice filed by common carriers other than common carriers included in 1300.904.
1300.904 Contents of notices of proposed increases in rates and charges of public utilities.
1300.905 Supplementary orders.
1300.906 Effective date.

AUTHORITY: 1300.901 to 1300.906 issued under 56 Stat. 23, 765; 57 Stat. 566; 58 Stat. 632; 59 Stat. 308; Pub. Law 548 (79th Cong., 2d sess.); E. O. 9250, 7 F. R. 7871; E. O. 9328, 8 F. R. 4681; E. O. 9599, 10 F. R. 10155; E. O. 9651, 10 F. R. 13487; E. O. 9697, 11 F. R. 1691; E. O. 9699, 11 F. R. 1929.

§ 1300.901 *Definition.* For the purposes of this Revised Procedural Regulation No. 11, a general increase in the rates or charges of a common carrier or other public utility is defined as any change in its rates, fares, classifications, rules, regulations or practices which results in an increase in the charges for transportation or other public utility service applicable to a class of passengers, shippers or customers, including increases in wholesale or industrial rates or charges for public utility services, as distinguished from an increase of rates or charges applicable to a particular customer or transportation service under special arrangement.

§ 1300.902 *General requirements with respect to notices.* Thirty (30) days before the effective date of a general increase in the rates or charges of any common carrier or other public utility, there shall be filed with the Office of the Secretary of the Office of Price Administration, Washington, D. C., notice of such proposed increase. Such notices shall be deemed to have been filed when received by the Office of Price Administration. If authority for the establishment of any such increase is required by any regulatory agency, notice shall be given on or before the time such authority is sought in order that the Price Administrator may have timely opportunity to intervene, but in no event shall such notice be given less than 30 days before such proposed increased rates or charges are to become effective. All notices shall state the name and address of the Federal, State or municipal authority having jurisdiction over the rates or charges in question.

Each such notice shall contain a statement that the common carrier or other public utility consents to the timely intervention by the Price Administrator, on behalf of the Director of Economic Stabilization before the Federal, State or municipal authority having jurisdiction to consider such increase.

Each notice must be over the signature of an executive officer, a responsible traffic officer, or a duly authorized attorney or agent of the carrier or other public utility. Duly authorized officers or corporate agents shall certify that the information contained therein is true to the best of their knowledge, information and belief.

§ 1300.903 *Contents of notice filed by common carriers other than common carriers included in § 1300.904.* (a) For the purpose of this section the term common carrier shall include all common carriers except those included in § 1300.904 and except other common carriers with respect to the transportation of passengers when the maximum rates or charges for such transportation of passengers are not established, or otherwise regulated, by a federal, state or municipal authority having jurisdiction over such rates or charges.

(b) Notice filed by common carriers other than common carriers included in § 1300.904 shall show the names and addresses of the carriers on whose behalf the notice is filed, except that in case of a notice filed by an agent or agents on behalf of a group of carriers, parties to a tariff filed with a federal agency, reference may be made to such tariffs wherein is shown the names of the carriers for whom such agent is acting. In case of notice filed by an agent or agents on behalf of a group of carriers, parties to a tariff not filed with a federal agency, one copy of such tariff showing the names and addresses of such carriers may be submitted.

The notice shall contain a reference to the tariffs filed with a regulatory authority having jurisdiction, or, in lieu thereof, a statement of specific changes proposed.

(c) Upon request of the Office of Price Administration, the tariff or rate sheet authorities of the present rates, ratings or rules shall be indicated as well as the tariff or rate sheets in which the proposed rates, ratings or rules will be published.

§ 1300.904 *Contents of notices of proposed increase in rates and charges of public utilities.* (a) For the purpose of this section the term public utility shall include the following: Any person, firm, corporation (private or public) engaged in the production, transmission, or sale of electric energy, gas (whether natural, artificial, or mixed), water, or heat; or in the transportation or transmission of electric energy, gas, water, or heat; and any person, firm, or corporation (private or public) appropriately classified as a public utility and subject to regulation as such when engaged in the transmission of messages, communications, or other intelligence by telephone, telegraph, cable, radio, or other wire or wireless conductors or appliances, as a common carrier for hire, or when engaged in the transportation as a common carrier of passengers by street railway, trolley, bus or motor vehicle in urban areas; or when engaged in the storage or warehousing of any commodity or in the performance of any other service not listed elsewhere in this paragraph or in § 1300.903, maximum rates or charges for such transmission, transportation, storage, warehousing, or other service having been established, or otherwise regulated, by a federal, state or municipal authority having jurisdiction over such rates or charges.

(b) The notice filed by a public utility shall consist of a copy of each application or petition submitted to any regulatory agency in support of the request for such increase in rates or charges.

§ 1300.905 *Supplementary orders.* The Administrator may issue such supplementary orders as may be required to effectuate the purposes of this regulation.

§ 1300.906 *Effective date.* This Revised Procedural Regulation No. 11 (§§ 1300.901 to 1300.906, inclusive), shall become effective December 7, 1946 (Procedural Regulation 11 originally issued November 12, 1942).

NOTE: All reporting and record-keeping requirements of this regulation have been approved by the Bureau of the Budget in ac-

[1] 7 F. R. 9390.
[2] 7 F. R. 7871.
[3] 7 F. R. 8758.

cordance with the Federal Reports Act of 1942.

Issued this 2d day of December 1946.

PAUL A. PORTER,
Administrator.

[F. R. Doc. 46-21186; Filed, Dec. 2, 1946; 10:59 p. m.]

PART 1305—ADMINISTRATION

[Gen. RO 3, Amdt. 15]

RATION BANKING; BANKS

A rationale for this amendment has been issued simultaneously herewith and has been filed with the Division of the Federal Register.

General Ration Order No. 3 is amended in the following respects:

Section 1305.405 (e) is amended by changing the definition of "District Office" to read as follows:

(e) "District Office" means a District Office or a Sugar Branch Office of the Office of Price Administration having jurisdiction over the area in which the bank is located.

This amendment shall become effective December 7, 1946.

Issued this 2d day of December 1946.

PAUL A. PORTER,
Administrator.

Rationale Accompanying Amendment No. 15 to General Ration Order No. 3 and Amendment No. 3 to Revised General Ration Order 18

These amendments are issued in order that the term "District Office" shall conform with the definition of "District Office" as changed under the new issuance procedure.

[F. R. Doc. 46-21183; Filed, Dec. 2, 1946; 10:58 a. m.]

PART 1305—ADMINISTRATION

[Rev. Gen. RO 18,[1] Amdt. 3]

DISTRIBUTION OF BASES TO CERTAIN FORMER MEMBERS OF THE ARMED FORCES

A rationale for this amendment has been issued simultaneously herewith and has been filed with the Division of the Federal Register.

Revised General Ration Order 18 is amended in the following respects:

Section 8.1 is amended by adding a new paragraph (d) to read as follows:

(d) "District Office" means a District Office or a Sugar Branch Office of the Office of Price Administration.

This amendment shall become effective December 7, 1946.

Issued this 2d day of December 1946.

PAUL A. PORTER,
Administrator.

Rationale Accompanying Amendment No. 15 to General Ration Order No. 3 and Amendment No. 3 to Revised General Ration Order 18

These amendments are issued in order that the term "District Office" shall conform with the definition of "District Office" as changed under the new issuance procedure.

[F. R. Doc. 46-21184; Filed, Dec. 2, 1946; 10:58 a. m.]

Chapter XXIII—War Assets Administration

[Reg. 17,[1] Order 1]

PART 8317—STOCK PILING OF STRATEGIC AND CRITICAL MATERIALS

REPORT BY RECONSTRUCTION FINANCE CORPORATION

Pursuant to the authority of the Surplus Property Act of 1944, as amended (58 Stat. 765, as amended; 50 U. S. C. App. Sup. 1611); Public Law 181, 79th Cong. (59 Stat. 533; 50 U. S. C. App. Sup. 1614a, 1614b); and Executive Order 9689 (11 F. R. 1265), it is hereby ordered that:

§ 8317.51 *Report by Reconstruction Finance Corporation.* (a) The Reconstruction Finance Corporation shall transmit a report to the War Assets Administrator on January 15, 1947, covering its activities under this part between September 1, 1946, and December 31, 1946; and thereafter shall transmit quarterly reports on the fifteenth day of each month next following such quarterly periods. Such reports shall be marked "confidential" and shall be transmitted accordingly.

(b) The reports shall be transmitted in the format most convenient to the Reconstruction Finance Corporation and shall include the following data employing the same unit of measure as appears in Exhibit A of this part:

(1) *Strategic materials reported to Reconstruction Finance Corporation.* (i) The total amount of each strategic material reported by owning agencies;

(ii) The total reported cost (or estimated value in the case of scrap) of each strategic material reported by the owning agencies.

(2) *Sales by Reconstruction Finance Corporation*[2] *in behalf of owning agencies to satisfy deficiencies in the current requirements of industry.* (i) The total amount of each strategic material sold by Reconstruction Finance Corporation to satisfy deficiencies in the current requirements of industry;

(ii) The total reported cost (or estimated value in the case of scrap) of each such strategic material so disposed of;

(iii) The amount received for each strategic material so disposed of.

(3) *Strategic materials transferred to the stock pile.* (i) The total amount of each strategic material transferred to the stock pile;

(ii) The total reported cost (or estimated value in the case of scrap) of each strategic material transferred to the stock pile;

(iii) On and after July 1, 1948, the fair market value of each strategic material so transferred as determined by the Secretary of the Treasury.

(4) *Materials reported as strategic but declared surplus in behalf of owning agencies after rejection by the Army and Navy Munitions Board.* (i) The total amount of each material reported as strategic but rejected by the Army and Navy Munitions Board;

(ii) The total reported cost (or estimated value in the case of scrap) of each material reported as strategic but rejected by the Army and Navy Munitions Board;

(iii) The total amount of each material reported as strategic but declared surplus by Reconstruction Finance Corporation in behalf of owning agencies after rejection by the Army and Navy Munitions Board;

(iv) The total reported cost (or estimated value in the case of scrap) of each material reported as strategic but declared surplus by Reconstruction Finance Corporation in behalf of owning agencies after rejection by the Army and Navy Munitions Board.

NOTE: All reporting requirements of this part have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

This order shall become effective November 30, 1946.

ROBERT M. LITTLEJOHN,
Administrator.

NOVEMBER 27, 1946.

[F. R. Doc. 46-21189; Filed, Dec. 2, 1946; 11:46 a. m.]

TITLE 38—PENSIONS, BONUSES AND VETERANS' RELIEF

Chapter I—Veterans' Administration

PART 36—REGULATIONS UNDER SERVICEMEN'S READJUSTMENT ACT OF 1944

OPERATIONS OF STATE COOPERATING AGENCIES AND OTHERS

Section 36.504, paragraphs (a) (1), (c) and (d), of the regulations under the Servicemen's Readjustment Act of 1944, are hereby revoked and superseded as follows:

§ 36.504 *Determination of entitlement.* (a) (1) Any person who served in the active military or naval service of the United States at any time after September 16, 1940, and prior to the termination of the present war, and who is discharged or released from active service under conditions other than dishonorable, after active service of 90 days or more or by reason of an injury or disability incurred in service in line of duty, has potential entitlement to allowances under Title V. In the computation of service under any law, there should be excluded periods of agricultural, industrial or indefinite furlough; time under arrest, in the absence of acquittal; time for which the soldier or sailor was determined to have forfeited pay by reason

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[1] 11 F. R. 7580, 10215.

[1] 11 F. R. 9573, 12306.

[2] Pursuant to § 8317.9 (a) of this part "Sales by Reconstruction Finance Corporation" include purchases made by Reconstruction Finance Corporation from owning agencies in those cases where Reconstruction Finance Corporation is engaged in satisfying industrial deficiencies from its own stocks.

of absence without leave, and time spent in desertion or while undergoing sentence of court martial. Time lost through intemperate use of drugs or alcoholic liquor or through disease or injury the result of his own misconduct, should not be excluded in such computation. Service with the Women's Army Auxiliary Corps is not considered active service.

* * * * *

(c) All the period between the veteran's entry upon active service and his discharge or separation is considered active service, except those periods enumerated in paragraph (a) (1) of this section. When the discharge, including remarks on the reverse of the certificate, does not show the date of entry upon active service but does show the date of induction (or date of enlistment), the latter shall be accepted as date of entry into active service except where active service of ninety days or more is in doubt. In those cases where such doubt exists, the application shall be cleared with the Veterans' Administration through the Readjustment Allowance Agent.

(d) The Agency shall make determinations of entitlement following the criteria stated here, if sufficient evidence to support determinations is presented. If the veteran is unable to present sufficient evidence upon which to base such determination, including a determination as to the period of active service, the application involved will be cleared with the Veterans' Administration through the Readjustment Allowance Agent. The agency will make determinations of entitlement based upon the information received as a result of the clearance through the Readjustment Allowance Agent and enter that determination on the application forms.

(58 Stat. 284; 38 U. S. C. 693)

[SEAL] OMAR N. BRADLEY,
General, U. S. Army,
Administrator of Veterans' Affairs.

NOVEMBER 21, 1946.

[F. R. Doc. 46-21100; Filed, Dec. 2, 1946; 8:45 a. m.]

TITLE 46—SHIPPING

Chapter II—United States Maritime Commission

Subchapter F—Merchant Ship Sales Act of 1946

[G. O. 60, Amdt. 1 to Supp. 8]

PART 299—RULES AND REGULATIONS, FORMS, AND CITIZENSHIP REQUIREMENTS

CHARTER OF WAR-BUILT VESSELS TO CITIZENS

Paragraph (k) *Preliminary determination and payment of "additional charter hire"* of § 299.31 *Charter of war-built vessels to citizens of the United States* is amended by adding at the end thereof the following: "Upon application of the Charterer the Commission may extend for a period of not to exceed thirty (30) days in any instance the time limit prescribed in this paragraph (k) for the preliminary determination and payment of additional charter hire."

(60 Stat. 41)

By order of the United States Maritime Commission.

[SEAL] A. J. WILLIAMS,
Secretary.

NOVEMBER 26, 1946.

[F. R. Doc. 46-21104; Filed, Dec. 2, 1946; 8:45 a. m.]

TITLE 49—TRANSPORTATION AND RAILROADS

Chapter I—Interstate Commerce Commission

PART 24—UNIFORM SYSTEM OF ACCOUNTS FOR PERSONS FURNISHING CARS OR PROTECTIVE SERVICES AGAINST HEAT OR COLD

At a session of the Interstate Commerce Commission, Division 1, held at its office in Washington, D. C., on the 7th day of May A. D. 1946.

The matter of a uniform system of accounts for persons which furnish cars or protective service against heat or cold to or on behalf of any carrier by railroad or express company, being under consideration by the Division, pursuant to authority of section 20, paragraph (6), of the Interstate Commerce Act, as amended, and the Division having found the "Uniform System of Accounts for Persons Furnishing Cars or Protective Services Against Heat or Cold, Issue of 1947," which is attached hereto and made a part hereof, necessary for administration of Part I of the act;

INTRODUCTION

Sec.
24.00 Order of the Commission.

GENERAL INSTRUCTIONS

24.01-1 Persons for whom this system of accounts is prescribed.
24.01-2 Records.
24.01-3 Unaudited items.
24.01-4 Delayed items.
24.01-5 Securities or other assets pledged.
24.01-6 Interpretation of item lists.
24.01-7 Submission of questions.
24.01-8 Definitions.

INVESTMENT IN PROPERTY AND EQUIPMENT

SPECIAL INSTRUCTIONS

24.01-11 Purpose of property accounts.
24.01-12 Basis of charges.
24.01-13 Items to be charged.
24.01-14 Cost of construction.
24.01-15 Overhead construction costs.
24.01-16 Retirements and replacements.
24.01-17 Leased property.

PROPERTY ACCOUNTS

24.1 Land.
24.2 Public improvements.
24.3 Rolling stock.
24.4 Miscellaneous equipment.
24.5 Tracks.
24.6 Car shop buildings and machinery.
24.7 Work equipment.
24.8 Ice manufacturing plants.
24.9 Natural ice plants.
24.10 Ice storage plants.
24.11 Precooling plants.
24.12 Icing platforms.
24.13 Transmission systems.
24.14 Testing apparatus.
24.15 Miscellaneous structures.
24.50 Organization expenses.

OPERATING REVENUES

SPECIAL INSTRUCTIONS

Sec.
24.01-21 Purpose of operating revenue accounts.
24.01-22 Statement of operating revenues.
24.01-23 Miscellaneous physical property.

CAR SERVICE

24.101 Car mileage.
24.102 Car rental.
24.103 Other car service revenue.

REFRIGERATION SERVICE

24.110 Ice and salt.
24.111 Supervision.
24.112 Refrigerating device damage.
24.113 Top or body ice damage.
24.114 Precooling.

HEATER SERVICE

24.120 Car heaters.
24.121 Heater fuel.
24.122 Servicing heaters.
24.123 Supervision.
24.124 Preheating cars.

OTHER SERVICES

24.130 Ventilation service.
24.131 Cleaning cars.
24.132 Other ice and salt.
24.133 Miscellaneous.

OPERATING EXPENSES

SPECIAL INSTRUCTIONS

24.01-31 Purpose of operating expense accounts.
24.01-32 Statement of operating expenses.
24.01-33 Miscellaneous physical property.
24.01-34 Maintenance expenses.
24.01-35 Cost of repairs.
24.01-36 Royalties on appliances.
24.01-37 Injuries and damages.
24.01-38 Clearing accounts.
24.01-39 Boarding house operations.
24.01-40 Ice plant operations.
24.01-41 Power plant operations.
24.01-42 Production cost of ice.
24.01-43 Material store expenses.
24.01-44 Stationery store expenses.
24.01-45 Shop expenses.
24.01-46 Equalization of car repairs.
24.01-47 Deferred maintenance and major repairs to rolling stock.
24.01-48 Depreciation.
24.01-49 Supervision.
24.01-50 Rents.
24.01-51 General expenses.

CAR SERVICE

24.301 Supervision.
24.303 Rents; car service facilities.
24.305 Car distribution.
24.308 Cleaning and conditioning cars.
24.310 Car repairs.
24.311 Other repairs.
24.321 Injuries to persons.
24.322 Insurance.
24.323 Stationery and printing.
24.329 Other expenses.
24.330 Equalization; car repairs.
24.332 Deferred maintenance; car service facilities.
24.333 Major repairs; rolling stock.
24.336 Depreciation; rolling stock.
24.337 Depreciation; other car service facilities.
24.338 Retirements; car service facilities.
24.339 Amortization; car service facilities.

ICE AND SALT

24.351 Ice purchased.
24.352 Ice produced.
24.353 Rents; icing facilities.
24.355 Icing operations.
24.360 Repairs; icing facilities.
24.361 Injuries to persons.
24.362 Insurance.
24.369 Other expenses.

Sec.
24.382 Deferred maintenance; icing facilities.
24.386 Depreciation; icing facilities.
24.388 Retirements; icing facilities.
24.389 Amortization; icing facilities.
24.395 Salt.

OTHER REFRIGERATION SERVICE

24.401 Supervision.
24.403 Rents; refrigeration service facilities.
24.405 Diversions and reconsignments.
24.410 Repairs; refrigeration service facilities.
24.411 Precooling service.
24.421 Injuries to persons.
24.422 Insurance.
24.423 Stationery and printing.
24.429 Other expenses.
24.432 Deferred maintenance; refrigeration service facilities.
24.436 Depreciation; refrigeration service facilities.
24.438 Retirements; refrigeration service facilities.
24.439 Amortization; refrigeration service facilities.

HEATER SERVICE

24.451 Supervision.
24.453 Rents; heater service facilities.
24.455 Diversions and reconsignments.
24.457 Heater fuel.
24.458 Inspecting and servicing of heaters.
24.460 Repairs; heater service facilities.
24.461 Preheating service.
24.471 Injuries to persons.
24.472 Insurance.
24.473 Stationery and printing.
24.479 Other expenses.
24.482 Deferred maintenance; heater service facilities.
24.486 Depreciation; heater service facilities.
24.488 Retirements; heater service facilities.
24.489 Amortization; heater service facilities.

MISCELLANEOUS

24.501 Ventilation service.
24.505 Curtain service.
24.508 Papering cars.
24.510 Loss and damage claims.
24.515 Other expenses.

GENERAL

24.550 Salaries and expenses of general officers and clerks.
24.551 General office supplies and expenses.
24.552 Rents.
24.554 Law expenses.
24.559 Pensions and relief.
24.560 Insurance.
24.561 Stationery and printing.
24.562 Repairs; general.
24.565 Depreciation; general.
24.566 Retirements; general.
24.569 Other expenses.

INCOME ACCOUNTS

SPECIAL INSTRUCTIONS

24.01–61 Income accounts defined.

INCOME CREDITS

24.601 Operating revenues.
24.602 Income from miscellaneous physical property.
24.610 Dividend income.
24.611 Income from securities and accounts.
24.612 Income from sinking and other reserve funds.
24.613 Release of premium on funded debt.
24.614 Miscellaneous income.
24.617 Delayed income credits.

INCOME DEBITS

24.625 Operating expenses.
24.626 Tax accruals.
24.627 Rent for cars.
24.628 Expenses of miscellaneous physical property.
24.629 Taxes on miscellaneous physical property.
24.630 Miscellaneous tax accruals.
24.631 Miscellaneous income charges.
24.632 Delayed income debits.
24.634 Interest on funded debt.
24.635 Interest on unfunded debt.
24.636 Amortization of discount on funded debt.
24.637 Income applied to sinking and other reserve funds.
24.638 Dividend appropriations of income.
24.639 Income appropriated for investment in physical property.
24.640 Stock discount extinguished through income.
24.641 Miscellaneous appropriations of income.

PROFIT AND LOSS

SPECIAL INSTRUCTIONS

24.01–71 Profit and loss accounts.

PROFIT AND LOSS CREDITS

24.701 Credit balance transferred from income.
24.704 Miscellaneous credits.

PROFIT AND LOSS DEBITS

24.710 Debit balance transferred from income.
24.713 Dividend appropriations of surplus.
24.714 Surplus appropriated for investment in physical property.
24.718 Miscellaneous appropriations of surplus.
24.721 Miscellaneous debits.

BALANCE SHEET

SPECIAL INSTRUCTIONS

24.01–81 Balance sheet accounts.
24.01–82 Discount, premium, and assessment on capital stock.
24.01–83 Discount, expense, and premium on funded debt.
24.01–84 Contingent assets and liabilities.
24.01–85 Book value of securities owned.
24.01–86 Income from sinking fund assets.
24.01–87 Current assets.
24.01–88 Joint liabilities.
24.01–89 Surplus.

DEBITS

24.801 Cars or protective service property.
24.802 Improvements on leased property.
24.803 Acquisition adjustment.
24.804 Donations and grants.
24.805 Miscellaneous physical property.
24.810 Sinking funds.
24.811 Deposits in lieu of mortgaged property sold.
24.812 Special reserve funds.
24.813 Maintenance funds.
24.814 Investments in affiliated companies.
24.815 Other investments.
24.816 Reserve for adjustment of investment in securities.
24.820 Cash.
24.821 Temporary cash investments.
24.822 Special deposits.
24.823 Loans and bills receivable.
24.824 Miscellaneous accounts receivable.
24.825 Mileage accounts receivable.
24.826 Material and supplies.
24.827 Interest and dividends receivable.
24.830 Other current assets.
24.831 Working fund advances.
24.832 Insurance and other funds.
24.833 Other deferred assets.
24.835 Rents and insurance premiums paid in advance.
24.837 Discount on funded debt.
24.839 Other unadjusted debits.
24.845 Securities issued or assumed; unpledged.
24.846 Securities issued or assumed; pledged.

CREDITS

24.850 Funded debt.
24.851 Debt in default.
24.852 Receivers' and trustees' securities.
24.854 Amounts payable to affiliated companies.
24.860 Loans and bills payable.
24.861 Audited accounts and wages payable.
24.862 Miscellaneous accounts payable.
24.863 Accrued interest.
24.864 Dividends payable.
24.867 Accrued rents.
24.868 Accrued tax liability.
24.869 Other current liabilities.
24.871 Liability for provident funds.
24.872 Interest in default.
24.873 Other deferred liabilities.
24.874 Premium on funded debt.
24.875 Insurance and casualty reserves.
24.876 Equalization reserves.
24.877 Maintenance reserves.
24.878 Accrued amortization of defense projects.
24.879 Accrued depreciation; cars or protective service property.
24.880 Accrued depreciation; miscellaneous physical property.
24.884 Other unadjusted credits.
24.885 Capital stock.
24.886 Stock liability for conversion.
24.887 Premiums and assessments on capital stock.
24.888 Discount on capital stock.
24.895 Unearned surplus.
24.896 Appropriated earned surplus.
24.897 Earned surplus.

AUTHORITY: §§ 24.00 to 24.897, inclusive, issued under 54 Stat. 917, 49 U. S. C. 20 (6).

INTRODUCTION

Order of the Commission. It is ordered, that:

(a) *Accounts prescribed.* All persons which furnish cars or protective service against heat or cold to or on behalf of any carrier by railroad or express company subject to the provisions of section 20, paragraph (6), of the Interstate Commerce Act, shall comply with the said "Uniform System of Accounts for Persons Furnishing Cars or Protective Services Against Heat or Cold, Issue of 1947," herein prescribed.

(b) *Effective date.* This order shall become effective January 1, 1947.

(c) *Notice.* A copy of this order and the accounting regulations herein prescribed shall be served upon all persons which furnish cars or protective service against heat or cold to or on behalf of any carrier by railroad or express company and notice of this order shall be given to the general public by depositing a copy thereof in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director of the Division of the Federal Register.

SPECIAL NOTE: In the regulations under Part 24 of this chapter the numbers assigned to sections thereof include as a whole number, following the decimal point, the number of the prescribed account. Where references throughout the regulations are to an account, as such, only the account number portion of the section number is used. For example: Account 101, "Car mileage," may be mentioned in the instructions or in the text of another account, and will be found as § 24.101 under operating revenues. All instructions relating to the accounts are included under §§ 24.01–1 to 24.01–17, 24.01–21 to 24.01–23, 24.01–31 to 24.01–51, 24.01–61, 24.01–71 and 24.01–81 to 24.01–89.

GENERAL INSTRUCTIONS

§ 24.01–1 *Persons for whom this system of accounts is prescribed.* This system of accounts is designed to meet the requirements of persons subject to the provisions of section 20 (6) of Part I of the Interstate Commerce Act, who furnish either protective service or cars and protective service against heat or cold to or on behalf of any carrier by railroad or express company subject to Part I; including "railroad owned or controlled" persons who furnish cars, but not protective service, to or on behalf of such a carrier by railroad or express company.

It is not designed to meet the requirements of persons, except those who are "railroad owned or controlled," who furnish cars, but not protective service, to or on behalf of any carrier by railroad or express company subject to Part I.

§ 24.01–2 *Records.* (a) The records of persons subject to this system of accounts shall be kept with sufficient particularity to show fully the facts pertaining to all entries made in the accounts provided herein. Where the full information is not recorded in the general books, the entries therein shall be supported by other records in which the full details shall be shown. Such general book entries shall contain sufficient reference to the detailed records to permit ready identification, and the detailed records shall be filed in such manner as to be readily accessible for examination by representatives of the Interstate Commerce Commission.

(b) The "Regulations to Govern the Destruction of Records of Steam Roads" prescribed by the Interstate Commerce Commission, are applicable to persons subject to this system of accounts.

(c) All accounts kept shall conform in numbers and titles to those prescribed herein, except that:

(1) The titles of all subdivisions or subaccounts shall refer by number or title to the accounts of which they are subdivisions.

(2) When subaccounts are kept, it is not required that the accounts of which they are subdivisions shall also be kept.

(3) Any person subject to this system of accounts, or any receiver or operating trustee of such person during the 12 months from the time that this system of accounts becomes effective, in addition to the accounts prescribed herein, may keep and maintain such groupings of the primary accounts prescribed or such portions of its present accounts as may be desirable to maintain a basis of comparison with previous years.

(4) Clearing accounts in addition to those provided may be kept when necessary or useful in making the proper distribution of items to the appropriate primary accounts.

(d) The accounts for each month shall be recorded currently so that all transactions applicable to each month, as nearly as may be ascertained, shall be entered in the books. The books shall be closed as of the end of the calendar year.

§ 24.01–3 *Unaudited items.* When the amount of any known item cannot be determined accurately in time for inclusion in the accounts of the month in which the transaction occurs, the amount of such item shall be estimated and included in the appropriate accounts. When the item is audited, necessary adjustment shall be made through the accounts in which the estimate was recorded. The company is not required to anticipate items which would not appreciably affect the accounts.

§ 24.01–4 *Delayed items.* Delayed items and adjustments, except adjustments pertaining to account 879, "Accrued depreciation—Cars or protective service property," arising during the current year which are applicable to prior years, shall be included in the same accounts which would have been charged or credited if the item had been taken up or adjusted in the year to which it pertained. When the amount of the delayed item is relatively so large that its inclusion in the appropriate accounts for the current year would seriously distort those accounts, the company shall distribute so much of the amount as may be authorized to account 617, "Delayed income credits," or account 632, "Delayed income debits," as may be appropriate.

§ 24.01–5 *Securities or other assets pledged.* The company shall maintain a record of securities or other assets owned, which have been pledged by it as collateral security for any of its funded debt, short-term loans, or other obligations. The record shall be kept in such manner as to show the identity of the securities or other assets pledged as collateral security for each obligation.

§ 24.01–6 *Interpretation of item lists.* List of "items" appearing in the texts of the several accounts are given for the purpose of clearly indicating the application of the prescribed accounting rules in specific cases. The lists are not to be considered as comprising all the items includible in the several accounts, but merely as representative of them. On the other hand the appearance of an item in a list warrants the inclusion of such item in the account concerned only when the text of the account also indicates inclusion, inasmuch as the same item frequently appears in more than one list. The proper entry in each instance must be determined by the texts of the accounts.

§ 24.01–7 *Submission of questions.* To promote and maintain uniformity of accounting, all questions of doubtful interpretation of the prescribed accounting rules shall be submitted to the Commission for consideration and decision.

§ 24.01–8 *Definitions.* When used in this system of accounts:

(a) "Actually issued" as applied to certificates of capital stock or evidences of funded debt issued or assumed by the company means those which have been sold to bona fide purchasers for a valuable consideration (including those issued in exchange for other securities or other property) under the condition that the purchaser secured them free from all control by the issuing company; also securities issued as dividends on stock.

(b) "Actually outstanding" as applied to certificates of capital stock or evidences of funded debt issued or assumed by the company means those which have been "actually issued" and are neither retired nor held by or for the company.

(c) "Additions" are equipment, structures, or facilities added to cars or protective service property.

(d) "Betterments" are improvements of parts of existing facilities through the substitution of superior parts for inferior parts replaced. The cost chargeable to the accounts of this classification is the cost of new parts over the book cost of the parts replaced.

(e) "Affiliated companies" means another person or persons controlled by or under common control with the company.

NOTE: Where reference is made to control (in referring to a relationship between any person or persons and another person or persons), such reference shall be construed to include actual as well as legal control, whether maintained or exercised through or by reason of the method of or circumstances surrounding organization or operation, through or by common directors, officers, or stockholders, a voting trust or trusts, a holding or investment company or companies, or through or by any other direct or indirect means; and to include the power to exercise control.

(f) "Book cost" means the amount at which assets are recorded in the accounts of the company without deduction of any related reserves or other items. If the book cost of units and minor items of property retired cannot be determined definitely from the company's records, the book cost of such items shall be estimated.

(g) "Book liability" means the amount at which liabilities (including securities issued or assumed by the company) are recorded in the accounts of the company.

(h) "Cars or protective service" means the furnishing of cars or protective service against heat or cold to or on behalf of any carrier by railroad or express company and services incident thereto. "Cars or protective service property" means property devoted to such service.

(i) "Company," when not otherwise indicated in the context, means the accounting person.

(j) "Cost of removal" means the cost of demolishing, or otherwise disposing of cars or protective service property, and recovering the salvage.

(k) "Debt expense" as applied to funded debt means all expenses, other than taxes, in connection with the issue and sale of evidences of debt, such as fees for drafting mortgages and trust deeds; fees for issuing or recording evidences of debt; cost of engraving and printing bonds, certificates of indebtedness, and other commercial paper having a life of more than one year; fees paid trustees and specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing such evidences of debt; fees and expenses of listing on exchanges, and other like costs.

NOTE: Taxes for issuing or recording evidences of debt should be charged to account 626, "Tax accruals."

(l) "Delayed items" means items relating to transactions which occurred prior to the calendar year in which they are recorded in the books of account. It includes adjustments of errors in the operating revenue, operating expense or income accounts of prior years.

(m) "Depreciable accounts" are those in which is recorded the cost of property for which depreciation accounting is provided.

(n) "Discount" as applied to securities issued or assumed by the company means the excess of the par or face value of the securities, plus interest or dividends accrued at the date of the sale, over the current money value of the consideration received at their sale.

(o) "Minor items" as applied to property used in furnishing cars or protective service means the associated parts of which units of such property are composed.

(p) "Nominally issued" as applied to certificates of capital stock or evidences of funded debt issued or assumed by the company means those which have been signed, certified, or otherwise executed and placed with the proper officer for sale, or pledged or otherwise placed in some special fund of the company, but which have not been sold.

(q) "Nominally outstanding" as applied to certificates of capital stock or evidences of funded debt issued or assumed by the company means those which after being actually issued have been reacquired by or for the company under such circumstances as require them to be considered as held alive and not retired.

(r) "Nondepreciable accounts" are those in which are recorded the book cost of those classes of property for which no charges to operating or other accounts for depreciation are provided.

(s) "Persons" means those who furnish cars or protective service against heat or cold to or on behalf of any carrier by railroad or express company, and includes an individual, firm, copartnership, corporation, company, association or joint-stock association; also a trustee, receiver, assignee, or personal representative thereof.

(t) "Premium" as applied to securities issued or assumed by the company means the excess of the current money value of the consideration received at their sale over the sum of their par or face value plus interest or dividends accrued at the date of the sale.

(u) "Property retired" means physical property which has been permanently withdrawn from service.

(v) "Protective service contracts" means those entered into with any common carrier by railroad or express company under the provisions of paragraph 14 (b) of section 1 of the Interstate Commerce Act for furnishing protective services against heat or cold to property transported in interstate or foreign commerce.

(w) "Retirement," as applied to physical property, means the permanent withdrawal of the property from service.

(x) "Replacement" means the installation of physical property in substitution for other property which has been retired.

(y) "Service life" means the period of time between the installation of a unit of property and its retirement.

(z) "Service value" is the book cost of property retired, less the value of the salvage therefrom.

(aa) "Time of installation" means the date at which property is completed and placed in service.

(bb) "Time of retirement" means the date at which property is permanently withdrawn from service.

(cc) "Value of salvage" means the amount received for property retired and disposed of, or the amount at which material recovered will be charged if reused.

INVESTMENT IN PROPERTY AND EQUIPMENT

SPECIAL INSTRUCTIONS

§ 24.01–11 *Purpose of property accounts.* (a) The primary property accounts are designed to show an accounting analysis of the book cost of:

(1) Property owned and used by the company in furnishing cars or protective service.

(2) Property owned by the company leased to others for use in furnishing cars or protective service.

(b) Entries in these accounts recorded subsequent to the effective date of this system of accounts shall be made as provided in these special instructions.

§ 24.01–12 *Basis of charges.* The costs includible in these accounts, except as provided in the text of accounts 803, "Acquisition adjustment," and 804, "Donations and grants," are actual money costs to the company. When the consideration for the acquisition of property is other than money the current cash value of such consideration shall be deemed to be the cost of the property acquired.

§ 24.01–13 *Items to be charged.* (a) To these accounts shall be charged the cost of all cars or protective service property acquired, except operating systems or donated property, including property constructed by or for the company, units of property replacing property retired, additions to and improvements of the existing property, and all property transferred from miscellaneous physical property to cars or protective service use. The accounting for the acquisition of operating systems is prescribed in the text of account 803, "Acquisition adjustment," and for donated property in the text of account 804, "Donations and grants."

(b) When property changes involve the acquisition of property (other than land) the cost of which is less than $500.00, or the betterment of property, the betterment cost of which is less than $500.00, the costs shall be charged to operating expenses. The company shall not parcel expenditures under a general plan for the purpose of bringing the accounting therefor within this rule; neither shall it combine unrelated items for the purpose of excluding the accounting therefor from the rule.

§ 24.01–14 *Cost of construction.* The cost of construction of property chargeable to these accounts shall include the following:

(a) "Cost of labor" includes the amount paid for labor performed by the company's own employees. The salaries and expenses of engineers and other officers specifically assigned to construction work shall be included in the accounts appropriate for the cost of the property in connection with which their services are rendered. No charge shall be made to these accounts for the pay of operating officers and members of their staffs who merely render service incidentally in connection with construction work.

NOTE: The office, traveling, and other personal expenses of officers and employees shall be included in the accounts to which their pay is chargeable, except that traveling and incidental expenses incurred by operating officers and members of their staffs while rendering service incidentally in connection with construction work shall be included in the cost of the work upon which they are incidentally engaged.

(b) "Cost of material, supplies, and small tools" includes the purchase price at the point of free delivery, plus costs of royalties, inspection, loading, transportation, and an equitable proportion of store expenses.

In determining the cost of material used, proper allowance shall be made for the value of unused portions, small tools recovered and used for other purposes, and all other salvage.

NOTE: The cost of individual items of small value ($25.00 or less) or of short life, including small tools, shall not be charged to the cost of construction unless the correctness of the accounting therefor is verified by current inventories, but shall be charged to operating expenses.

(c) "Special-machine service" includes the cost of material and supplies used in operating the company's machines and work equipment; it also includes expenditures for the rental, maintenance, and operation of machines and equipment of others.

NOTE: No charge shall be made to these accounts to cover a return upon the company's investment in special machines or work equipment used in construction service.

(d) When an important construction project necessitates the purchase of machines to be used exclusively thereon, the cost shall be included in the accounts to which the cost of the work is charged, which accounts shall be credited with the amount realized from any subsequent sale, or the appraised value of the machines if retained after the completion of the special work for which they were purchased. The appraised value of machines retained shall be debited to the appropriate primary equipment accounts.

(e) "Cost of contract work" includes amounts paid for work performed under contract by other companies, firms, or individuals, and costs incident to the award of the contracts, and the inspection of such work.

(f) "Cost of protection from casualties" includes expenditures for protection against fire, payments for discovery or extinguishment of fires, cost of detecting incendiaries, witness fees in re-

lation thereto, amounts paid to municipal corporations and others for fire protection, including the cost of protecting the property of others from damage when in connection with construction work, and other analogous items.

(g) "Cost of injuries and damages" includes expenditures on account of injuries to persons or damage to property, less insurance recovered, when incident to construction. Such costs shall be included in the cost of the work in connection with which the injury or damage occurs. They shall include also that portion of premiums paid for insuring against casualties applicable to the period prior to the completion of the property insured. The cost of injuries and damages in connection with the removal of old structures which are encumbrances on newly acquired lands shall be included in account 1, "Land."

(h) "Taxes" on physical property belonging to the company assessed during construction and before the facilities are completed and placed in service shall be included in the accounts appropriate for the cost of the property so taxed.

(i) "Interest during construction" includes the net cost of borrowed funds used for construction purposes. Such interest shall be charged to the accounts appropriate for the cost of the property in connection with which the funds are expended. The period for which interest may be charged shall be limited to the period of construction. The interest includible in these accounts is:

(1) Interest on bonds, notes and other evidences of indebtedness sold, and on any interest-bearing debt incurred for the acquisition or construction of property. It includes the interest accruing on that part of the debt representing the cost of property acquired (less interest, if any, allowed to companies on unexpended balances) after such funds become available for use and before the receipt or the completion of the property so acquired. Interest on bonds, notes, or other evidences of indebtedness accruing before the proceeds from the sale of the securities become available for use shall not be included in these accounts nor shall there be included in these accounts any interest accruing after the property with respect to which the proceeds are expended is received or becomes available for service.

(2) There shall be deducted from or added to such interest charges a proportion of premium, or discount and expense on securities sold. The amount of premium deducted or discount and expense added shall be determined by the ratio which the period between the date the proceeds from the securities issued become available and the receipt, completion, or coming into service of the property bears to the entire life of the securities issued. In no case except as provided in this paragraph shall discount and expense be included in the property accounts.

(j) The cost of disposing of material excavated, including privilege of wasting in connection with construction, shall be considered as a part of the cost of the work, except that when such material is used for filling, the cost of loading, hauling, and dumping shall be equitably apportioned between the work in connection with which the removal occurs and the work in connection with which the material is used.

(k) When any equipment or protective service property is acquired under an agreement which provides that the cost shall be paid in installments, the cost shall be charged to the appropriate property accounts at the time of its acquisition, in the same manner as the cost of property purchased outright. When the par value of notes or other securities issued in payment, or in part payment, for such property is more or less than their value on a current cash basis at the time of purchase, the difference between the par value of the securities and their cash value shall be charged or credited to the proper discount and expense or premium account.

§ 24.01–15 *Overhead construction costs.* (a) Overhead construction costs (except as provided in account 50), such as engineering, supervision, legal expenses, insurance, injuries, damages, taxes (except payroll taxes) and interest shall be distributed equitably to the work benefited, so that the entire cost of construction, both direct and indirect, may be included in the appropriate primary accounts.

(b) These instructions should not be interpreted as permitting the addition to cost of property of arbitrary percentages or amounts to cover assumed overhead costs, but as requiring the assignment to the cost of each particular project of the actual and necessary overhead costs.

§ 24.01–16 *Retirements and replacements.* (a) At the time of retirement the book cost (estimated if not known) of all cars or protective service property retired as listed hereunder shall be credited to the appropriate property accounts in which it is included.

(1) Land retired including the proportional cost of public improvements pertaining to the land.

(2) Units of depreciable property retired.

NOTE: When secondhand rolling stock acquired is in such physical condition that it is necessary to make extensive repairs to it to bring it up to the standard required by the company, the cost of such repairs may be included in the account appropriate for the cost of the rolling stock.

When rolling stock is rebuilt in order to modernize and create an expectation of life fairly comparable with new units of similar type and capacity, the units shall be accounted for as retired from service and their cost as rebuilt shall be charged to the appropriate equipment account.

(3) Minor items of depreciable property retired and not replaced.

NOTE: If the book cost of the minor item retired is small, is not under a general plan, and in the judgment of the company does not affect the condition and value of the property for valuation or depreciation purposes, and will be accounted for by inclusion in the unit of property of which it is a part when such unit is retired, no separate credit to the property account is required when such minor item is retired.

(4) Minor items of depreciable property retired and replaced with items of a different type or design or constructed of a different grade of material effecting a substantial improvement and rendering the part applied more durable or of greater capacity than that retired.

CROSS REFERENCE: See § 24.01–8 (d) for definition of "betterments."

NOTE: If the retirement and replacement of minor items of depreciable property does not effect a substantial improvement, the cost of the replacement including cost of removal shall be charged to the accounts appropriate for repairs of such property, as shall also the cost of replacing in kind all minor items of cars or protective service property retired, and no adjustment shall be made of the property accounts.

(b) The amounts thus credited to the primary property accounts shall be charged concurrently as follows:

(1) Where the group plan of depreciation is used, the service value of units and minor items of depreciable property accounted for as retired, shall be charged to account 879, "Accrued depreciation—Cars or protective service property."

Where the unit plan of depreciation is used, an amount equal to the credit balance in account 879, "Accrued depreciation—Cars or protective service property," with respect to the property retired shall be charged to that account and the remainder (less salvage and insurance recovered, if any) shall be charged to the appropriate retirement accounts in operating expenses.

(2) The value of salvage from retired property shall be charged to the account appropriate according to the disposition made thereof. If retired property is held temporarily without being torn down, the estimated value of the salvage recoverable therefrom shall be included in account 839, "Other unadjusted debits," until the property is dismantled or otherwise disposed of. If retired property is held for other than furnishing cars or protective service, its appraised value shall be included in account 805, "Miscellaneous physical property."

(3) The cost of demolishing retired property shall be charged to the appropriate retirement account in operating expenses.

(c) Land retired. The book cost of the land including the proportional cost of public improvements pertaining to the land when retired from service shall be credited to accounts 1, "Land," and 2, "Public improvements," respectively. If the land is sold the necessary adjustment between the book cost and the amount received therefor shall be included in profit and loss. If the land is retained the appraised value thereof shall be charged to account 805, "Miscellaneous physical property," and the necessary adjustment between the book cost and the appraised value included in profit and loss.

(d) *Property installed.* The cost of property installed in place of property accounted for as retired under paragraph (a) of this section, shall be charged to the appropriate primary property accounts.

§ 24.01–17 *Leased property.* (a) Except as provided in paragraph (b) of

this section the cost of initial improvements (including rearrangements and additions) to property leased from others for cars or protective service made in the course of preparing the property for such service and the cost of any subsequent additions or improvements made to such leased property shall be charged to account 802, "Improvements on leased property."

(b) When the cost of improvements to leased property is not more than $500 or the lease is for a period of one year or less, the cost shall be charged to the appropriate maintenance account in operating expenses.

PROPERTY ACCOUNTS

§ 24.1 *Land.* (a) This account shall include the cost of land used or held for use in furnishing cars or protective service, including:

(1) Cost of rights to occupy permanently land not purchased outright.

(2) Cost of grounds for buildings and other fixed improvements and of the land for ingress to or egress from such grounds.

(3) Cost of "ground rents."

(4) Cost of riparian or littoral rights.

(5) Cost of removing and locating elsewhere the property of others (including cost of land for relocation of property when such cost is assumed by the company).

(b) Proceeds from the sale of timber or of improvements purchased with the land, or of minerals known to be in the land when purchased and considered in the purchase price thereof, less any cost of removal, shall be credited to this account.

DETAILS

CROSS REFERENCE: See § 24.01–6 for interpretation of item lists.

(1) Abstracts and guarantees of title.
(2) Appraisals.
(3) Commissions paid.
(4) Compensation and expenses of land agents when specifically assigned to and solely engaged in acquiring land—not arbitrary apportionments for incidental services.
(5) Condemnation expenses, including court costs, and special counsel fees; also fees of commissioners appointed by the court to assess damages in condemnation proceedings.
(6) Costs, including agreed settlements, judgments, witness fees, and decreed court costs in proceedings to clear or defend titles against defects antedating the company's acquisition of property.
(7) Cost of filling submerged or low land to establish a general level and grading land to render it usable for construction of fixed improvements.
(8) Cost of making changes in or relocating property of others, when borne by the company in order to secure permanent rights to locations the cost of which is includible in this account; also the cost of securing sites for such relocations.
(9) Ditches for waterways when part of consideration.
(10) Easements, granting right of permanent occupancy.
(11) Land for control of watersheds to obtain water.
(12) Lump-sum payments for right to use in perpetuity or for a period of years public property. Amounts paid for the right to use such property for a period of years shall be amortized through account 626, "Tax accruals," during the period of use.
(13) Notarial fees.
(14) Payments to vendors to secure release from restrictive provisions of original deeds.
(15) Plats.
(16) Premiums on condemnation bonds.
(17) Recording deeds and easements.
(18) Removal and relocation of buildings and other structures not purchased.
(19) Surveys in connection with the purchase of the land.
(20) Taxes and assessments for public improvements accrued and assumed at time of purchase.

(c) *Notes.* (1) When the acquisition of land involves also the purchase of land not to be used in furnishing cars or protective service, the charges to this account shall be based upon the cost of the land purchased, less the estimated fair market value of that portion which will not be so used.

(2) The cost of land acquired for purposes other than furnishing cars or protective service shall be included in account 805, "Miscellaneous physical property." The cost of land acquired for which there is a definite plan for use in furnishing cars or protective service shall be included in this account.

(3) The net proceeds from the sale of minerals or timber, in excess of the amount contracted for in the purchase price shall be credited to account 614, "Miscellaneous income."

(4) Periodical payments for the use of land held under "ground rents" shall be accounted for as rent.

(5) When land, together with buildings thereon, is acquired, each shall be separately appraised and the cost shall be apportioned between the land and the buildings on the basis of such appraisals. If the plan of acquisition contemplates the removal of the buildings, the total cost of the land and buildings shall be accounted for as the cost of land and the salvage value of the buildings less any cost of removal when disposed of shall be deducted from the cost of the land so determined.

(6) Held for use referred to in paragraph (a) of this section implies the ability of the company to substantiate by plans or policy its characterization of the probable future use which is to be made of the land within a reasonable period of time.

§ 24.2 *Public improvements.* This account shall include amounts assessed on cars or protective service property by governmental authority to cover the cost of constructing public improvements, when such assessments are made against property within defined areas of taxing districts. It shall include also the cost borne by the company of public improvements constructed by it under governmental requirements.

DETAILS

CROSS REFERENCE: See § 24.01–6 for interpretation of item lists.

Curbing streets and highways.
Drainage systems.
Flood protection.
Grade eliminations.
Grading streets and highways.
Guttering streets and highways.
Irrigation systems.
Levees.
Paving streets and highways.
Sewer systems.
Sidewalks.
Street-lighting systems.
Viaducts carrying streets and highways over terminal property.
Waterworks.

(a) The cost to the company of assessments on cars or protective service property for maintaining or renewing public improvements shall be included in operating expenses.

(b) Any portion of the cost of public improvements which is included in the general tax levy for a regular taxing district shall be included in the account appropriate for taxes.

(c) When an assessment for the construction of public improvements is to be paid in installments over a period of more than one year, the full amount thereof shall be charged to this account when the assessment is levied and the amount of the deferred payments shall be credited to account 850, "Funded debt." The installments of the assessments shall be charged to that account as they become due and payable. Interest on the assessments shall be included in account 634, "Interest on funded debt."

(d) Penalties imposed for failure to pay assessments within the allotted time shall be charged to account 635, "Interest on unfunded debt."

(e) Assessments on miscellaneous physical property for the cost of constructing public improvements shall be charged to account 805, "Miscellaneous physical property."

§ 24.3 *Rolling stock.* This account shall include the cost of refrigerator and other railroad cars owned or held under agreement for purchase, which are used or held for use in furnishing cars or protective service including all appurtenances, furniture and fixtures necessary to equip them for service and the cost of inspection and transportation to point where placed in service.

§ 24.4 *Miscellaneous equipment.* This account shall include the cost of automobiles, trucks, wagons, and other highway vehicles, including the cost of horses, mules, harness, car curtains and car heaters which are used or held for use in furnishing cars or protective service, and the cost of transporting them to the point where placed in such service.

§ 24.5 *Tracks.* This account shall include the cost of clearing and grading roadway, whether by excavations or embankments, including ditching and protection of embankments, cuts and slopes and the cost of labor engaged in and material used in laying, ballasting and surfacing of tracks used for the movement and storage of locomotives and cars, including cleaning, storage, loading, unloading and repair tracks.

§ 24.6 *Car shop buildings and machinery.* (a) This account shall include the cost of buildings to be used as shops and storehouses; foundations; apparatus; furniture and fixtures; sewerage and water supply systems and plants for heat and light.

DETAILS

CROSS REFERENCE: See § 24.01–6 for interpretation of item lists.

Air brake test shops.
Blacksmith shops.
Carpenter shops.
Car repair sheds.
Engine houses.
Fire hose houses.
Foot bridges.
Garages.
Hose houses.
Lumber sheds.
Machine shops.
Material docks, bins and shelving.
Material reclaiming sheds.
Material and supply storehouses.
Mill buildings.
Office, shop.
Oil houses.
Paint shops.
Pump houses.
Scrap docks and bins.
Tin shops.
Tool houses.
Transformer houses.
Wash rooms.
Watchmen's houses.
Welding shops.
Wells.

(b) This account shall also include the cost of machinery and other apparatus in car shops, including the cost of special foundations and installation, and cost of hand tools necessary to equip shops.

DETAILS

CROSS REFERENCE: See § 24.01–6 for interpretation of item lists.

Air brake test apparatus.
Air compressors.
Belting.
Blowers.
Boilers.
Boring machines.
Cars, push.
Conveyors.
Cranes.
Dripping tanks and apparatus.
Drilling machines and presses.
Electric meters, motors, starters, etc.
Fire pumps.
Forges.
Furnaces.
Galvanizing tanks and apparatus.
Gas engines.
Grinding and polishing machines.
Hammers, riveting, air or electric.
Hoists.
Incinerators.
Lathes.
Lifting magnets.
Locomotives.
Material elevators.
Milling machines.
Oil tanks.
Paint tanks.
Pipe threading and cutting machines.
Planers.
Portable power tools.
Pumps.
Scales, platform and track.
Saws.
Shafting.
Shapers.
Slotters.
Welding outfits.
Wheel presses.
Wood working machines.

(c) *Note.* The cost of grading and preparing grounds both before and after the construction of shop buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings.

§ 24.7 *Work equipment.* This account shall include the cost of machines and equipment provided for the construction and maintenance of tracks, buildings and other structures.

DETAILS

CROSS REFERENCE: See § 24.01–6 for interpretation of item lists.

Boilers, portable.
Concrete mixers.
Dirt plows.
Dirt scrapers.
Donkey engines.
Dump carts.
Electric motors.
Engines, portable.
Hoists.
Portable forges.
Shafting.
Shaft boxes and pulleys.
Sheave wheels.
Steam shovels.
Tractors.
Tower equipment.

§ 24.8 *Ice manufacturing plants.* (a) This account shall include the cost of ice manufacturing plant buildings and structures; foundations; apparatus; furniture and fixtures, drainage, sewerage, and water supply systems; and plants for heat and light.

DETAILS

CROSS REFERENCE: See § 24.01–6 for interpretation of item lists.

Bicycle sheds.
Blacksmith shops.
Carpenter shops.
Coal storage and bins.
Engine houses.
Fire houses.
Garages.
Hose houses.
Ice freezing tank buildings.
Ice power plant buildings.
Machine shops.
Material bins and shelving.
Material storehouses.
Office buildings.
Oil houses.
Pump houses.
Salt storehouses.
Time clock houses.
Toilet buildings.
Tool houses.
Transformer houses.
Watchmen's houses.
Welding shops.
Wells.

(b) This account shall also include the cost of machinery and apparatus in ice manufacturing plants, including cost of special foundations and installation, and cost of hand tools necessary to equip ice manufacturing plants.

DETAILS

CROSS REFERENCE: See § 24.01–6 for interpretation of item lists.

Accumulators.
Air compressors.
Agitators.
Ammonia compressors.
Ammonia coils.
Automatic drops.
Belting.
Boilers.
Boiler feed pumps and heaters.
Boiler stacks.
Brine tanks.
Circulating pumps.
Clutches.
Coils.
Conveyors.
Cranes.
Electric generators.
Electric controllers.
Electric meters.
Electric motors.
Electric starter boxes.
Elevator baskets.
Expansion coils and fittings.
Fire pumps.
Fire coolers.
Fuel oil tanks.
Gas engines.
Gears.
Heaters.
Ice cans.
Ice can covers, dumps and fillers.
Ice chain.
Ice chain flights and sprockets.
Mechanical coal handling equipment.
Oil burners.
Oil feed pump.
Oil tanks.
Pipe.
Pipe covering, fittings and hangers.
Pipe trenches and conduits.
Pumps.
Raw water agitating system.
Shafting.
Sheave wheels.
Steam condensers.
Suction lines.
Sumps.
Take-ups.
Vertical elevators.
Winter machine conveyors.

(c) *Note.* The cost of grading and preparing grounds before and after the construction of ice manufacturing plant buildings, and cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings.

§ 24.9 *Natural ice plants.* (a) This account shall include the cost of natural ice plant buildings and structures; foundations; furniture, fixtures; drainage, sewerage and water supply systems; and heating and lighting systems.

DETAILS

CROSS REFERENCE: See § 24.01–6 for interpretation of item lists.

Barns and stables.
Blacksmith shops.
Boarding houses.
Bunk houses.
Carpenter shops.
Coal storehouses and bins.
Engine houses.
Fire houses.
Foot bridges.
Garages.
Lunch houses.
Machine shops.
Material bins and shelves.
Material storehouses.
Office buildings.
Oil houses.
Power plant buildings.
Pump houses.
Salt storehouses.
Scrap docks and bins.
Toilet buildings.
Tool houses.
Wash rooms.
Watchmen's houses.

(b) This account shall also include the cost of grading and constructing natural ice ponds including intakes and outlets, spillways, canals, aqueducts, pipe lines, flumes, etc.

DETAILS

CROSS REFERENCE: See § 24.01–6 for interpretation of item lists.

Concrete work.
Embankments.
Excavating and filling.
Flumes.
Grading.
Intake gates and valves.

Outlet gates and valves.
Pipe.
Piling.
Retaining walls.
Spillways.
Trestles.
Water rights.

(c) This account shall also include the cost of machinery, apparatus, implements and tools used in connection with the harvesting of ice and the operation of natural ice plants.

DETAILS

CROSS REFERENCE: See § 24.01–6 for interpretation of item lists.

Chutes.
Clutches.
Electric motors.
Gas engines.
Gears.
Ice chains.
Ice conveyors.
Ice plows.
Ice saws.
Pinions.
Shafting.
Shaft collars and boxes.
Shaft pulleys.
Sheave wheels.
Snow scrapers.
Take-ups.

(d) *Notes.* (1) The cost of grading and preparing grounds both before and after the construction of natural ice plant buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings.

(2) The cost of facilities used solely for supplying water to car shops, ice manufacturing plants, ice storage houses, office buildings, etc., shall be included in the appropriate accounts relating to the property so supplied.

§ 24.10 *Ice storage plants.* This account shall include cost of ice storage plants; buildings; structures; foundations; machinery, equipment and apparatus used in the operation of ice storage houses, including furniture, fixtures, tools and equipment; also drainage, sewerage and water supply system and heating and lighting systems.

NOTE: The cost of grading and preparing grounds before and after the construction of ice storage houses, and the cost of constructing sidewalks, driveways and fences thereon shall be included in the cost of the houses.

§ 24.11 *Precooling plants.* (a) This account shall include the cost of precooling buildings and sheds; foundations; furniture and fixtures; drainage, sewerage and water supply systems; and heating and lighting systems.

(b) This account shall also include the cost of precooling equipment, implements and tools at precooling plants, including cost of installation.

DETAILS

CROSS REFERENCE: See § 24.01–6 for interpretation of item lists.

Belting.
Blowers.
Butterfly valves.
Electric controllers.
Electric motors.
Electric starter boxes.
Fans.
Gears.
Pipe.
Pipe fittings.
Precooler ducts.
Precooler duct doors.
Shafting.
Shaft collars and boxes.
Shaft pulleys.
Take-ups.

(c) *Note.* The cost of grading and preparing grounds before and after the construction of precooling plant buildings, and the cost of constructing sidewalks, driveways and fences thereon shall be included in the cost of the buildings.

§ 24.12 *Icing platforms.* (a) This account shall include the cost of icing platforms; ice loading and unloading platforms; foundations; including furniture and fixtures; drainage; sewerage and water supply systems, and heating and lighting systems.

(b) This account shall also include the cost of machinery, apparatus, tools and implements at icing platforms, including cost of installation.

DETAILS

CROSS REFERENCE: See § 24.01–6 for interpretation of item lists.

Clutches.
Electric motors.
Gas engines.
Gears.
Ice chains.
Ice chain flights.
Ice chain sprockets.
Incline conveyors.
Pinions.
Retarding conveyors.
Shafting.
Shaft pulleys.
Shaft collars and boxes.
Sheave wheels.
Take-ups.

(c) *Note.* The cost of grading and preparing grounds before and after the construction of platforms, and the cost of constructing sidewalks, driveways and fences thereon shall be included in the cost of the platforms.

§ 24.13 *Transmission systems.* This account shall include the cost of transmission systems for transmitting electric current, steam and compressed air to car shops, ice plants, icing platforms, ice houses, etc., including the cost of transformers, main switch boards, conduits, poles, cross arms, pole fixtures and other structures.

DETAILS

CROSS REFERENCE: See § 24.01–6 for interpretation of item lists.

Air pipe-lines.
Cables.
Compressed air storage tanks.
Conduits.
Cross arms.
Cut-outs.
Electric wire.
Insulation.
Poles.
Steam pipe-lines.
Switches.
Switch boards.
Span wires.
Towers.
Transformers.

NOTE: The cost of transmission or distribution systems located within buildings and grounds of car shops, ice plants, icing platforms, ice houses, etc., shall be included in the cost thereof.

§ 24.14 *Testing apparatus.* This account shall include the cost of special testing and other instruments and apparatus used to test machinery, secure temperatures, etc.

DETAILS

CROSS REFERENCE: See § 24.01–6 for interpretation of item lists.

Anamometers.
Brine and ammonia testing sets.
Current transformers.
Electric measuring instruments.
Electric resistance thermometers, coils, etc.
Electric thermometer.
Hydrometers.
Galvanometers.
Steam indicators.
Planometers.
Portable wattmeters.
Recording thermometers.
Voltmeters.

§ 24.15 *Miscellaneous structures.* This account shall include the cost of permanent structures not provided for elsewhere, including foundations, equipment, furniture, fixtures and tools; drainage, sewerage and water supply systems; and heating and lighting systems.

DETAILS

CROSS REFERENCE: See § 24.01–6 for interpretation of item lists.

Carheater storage houses.
Charcoal storage houses.
Dwellings.
Fruit warehouses.
Heater service buildings.
General office buildings.

NOTE: The cost of grading and preparing grounds before and after the construction of miscellaneous buildings and cost of constructing sidewalks, driveways and fences thereon, shall be included in the cost of the buildings.

§ 24.50 *Organization expenses.* This account shall include all fees paid to Government, State or Municipal authorities and like bodies for the privilege of incorporation, and office and other expenditures incident to organizing the corporation and putting it in readiness to do business; cost of preparing and distributing prospectuses; soliciting subscriptions to stock; special counsel fees; cost of preparing and issuing certificates of stock; cost of procuring the necessary certificates from State authorities and other like costs.

OPERATING REVENUES

SPECIAL INSTRUCTIONS

§ 24.01–21 *Purpose of operating revenue accounts.* The operating-revenue accounts are designed to show the amounts of money which the company becomes entitled to receive from the furnishing of cars or protective service against heat or cold including service incidental thereto.

§ 24.01–22 *Statement of operating revenues.* The accounting for operating revenues shall be as nearly as practicable coincident with the transactions which create them. For the purpose of meeting this requirement, unaudited items shall be accounted for upon an accrual basis.

CROSS REFERENCE: See § 24.01–3 "Unaudited items."

Adjustments of overcharges or undercharges shall be accomplished through these accounts.

§ 24.01–23 *Miscellaneous physical property.* The revenues from miscellaneous operations involving the use of property the cost of which is included in balance sheet account 805, "Miscellaneous physical property," and also of property leased from others and used for other than furnishing cars or protective service, shall be included in account 602, "Income from miscellaneous physical property."

CAR SERVICE

§ 24.101 *Car mileage.* This account shall include amounts receivable for the use of cars owned, leased, or otherwise under the control of the accounting company, while in service on railroad companies' lines based on the number of miles traveled. The records shall be so kept that the revenue from each class of cars for which different mileage rates are fixed may be determined.

§ 24.102 *Car rental.* This account shall include amounts of rental receivable for use of cars on the basis of fixed charge per trip, per day, per month, or basis other than miles traveled.

§ 24.103 *Other car service revenue.* This account shall include car service revenues not otherwise provided for, including compensation for special equipment of cars.

REFRIGERATION SERVICE

§ 24.110 *Ice and salt.* This account shall include revenue from ice and salt delivered in bunkers or bodies of refrigerator cars for protection of perishable freight.

§ 24.111 *Supervision.* This account shall include revenue from inspecting and supervising the icing, salting, and other protective services furnished carcarriers, in connection with perishable freight transported under refrigeration service, at unit prices specified in protective service contracts.

§ 24.112 *Refrigerating device damage.* This account shall include allowances at unit prices specified in protective service contracts, or under other arrangements, to cover repairs to refrigerating devices and cleaning of tanks and drains and around hatchways of refrigerator cars.

§ 24.113 *Top or body ice damage.* This account shall include allowances at unit prices specified in protective service contracts, or under other arrangements, to cover damage to refrigerator cars caused by top or body or package ice loaded in the bodies of the cars for the protection of perishable freight, including cleaning occasioned solely by that service.

§ 24.114 *Precooling.* This account shall include revenue from precooling refrigerator cars at unit prices specified in protective service contracts.

HEATER SERVICE

§ 24.120 *Car heaters.* This account shall include revenue from the use of car heaters owned, leased, or otherwise under the control of the accounting company, while in service on railroad companies' lines for the protection of perishable freight, at unit prices specified in protective service contracts.

§ 24.121 *Heater fuel.* This account shall include revenue from heater fuel furnished incident to heater service performed for the protection of perishable freight at unit prices specified in protective service contracts.

§ 24.122 *Servicing heaters.* This account shall include revenue from the servicing of car heaters, while in service on railroad companies' lines for the protection of perishable freight, at unit prices specified in protective service contracts.

§ 24.123 *Supervision.* This account shall include revenue from inspecting and supervising all protective services furnished carriers, in connection with perishable freight under protective service against cold, at unit prices specified in protective service contracts.

§ 24.124 *Preheating cars.* This account shall include revenue from the use of special equipment such as stoves, salamanders, oil heaters, etc., in preheating cars for carriers in connection with perishable freight under protective service against cold, at unit prices specified in protective service contracts.

OTHER SERVICES

§ 24.130 *Ventilation service.* This account shall include revenue from inspecting and supervising the protective services furnished carriers, in connection with perishable freight under ventilation service, at unit prices specified in protective service contracts.

§ 24.131 *Cleaning cars.* This account shall include amounts receivable for cleaning cars for loading.

§ 24.132 *Other ice and salt.* This account shall include the revenues from furnishing ice and salt other than that delivered in bunkers or bodies of cars in connection with protective services to perishable freight.

§ 24.133 *Miscellaneous.* This account shall include amounts of miscellaneous revenue from sources not otherwise provided for.

OPERATING EXPENSES

SPECIAL INSTRUCTIONS

§ 24.01–31 *Purpose of operating expense accounts.* The operating expense accounts are designed to show expenses of furnishing cars or protective service against heat or cold, and services incidental thereto, including the expenses of maintenance (repairs, depreciation and amortization) of the property used in such service.

§ 24.01–32 *Statement of operating expenses.* The accounting for operating expenses shall be, as nearly as practicable, coincident with the transactions which create them. For the purpose of meeting this requirement, unaudited items shall be accounted for upon an accrual basis.

CROSS REFERENCE: See § 24.01–3 "Unaudited items."

§ 24.01–33 *Miscellaneous physical property.* The expenses of miscellaneous operations involving the use of property the cost of which is included in account 805, "Miscellaneous physical property," and also of property leased from others and used for other than furnishing cars or protective service, shall be included in account 628, "Expenses of miscellaneous physical property."

§ 24.01–34 *Maintenance expenses.* The accounts provided for repairs are designed to show the cost of repairs, including the cost of replacing minor items of property; the cost of supervision and inspecting and testing to determine the need of repairs, rearrangements, minor replacements and changes, adjusting, reconditioning, and painting of units or minor items, and inspecting and testing after repairs have been made; also the cost of restoring the condition of property damaged by storms, floods, accidents, fires or other casualties in excess of amounts recovered from insurance. They shall include the cost of moving structures; of maintaining sidewalks and driveways within grounds; and of restoring sidewalks, driveways, etc., after property changes.

§ 24.01–35 *Cost of repairs.* The cost of repairs to equipment or property shall be included in the appropriate repair accounts of this classification. The cost of repairs shall include the following:

(a) "Cost of labor" includes the pay and expenses for work performed by the company's own employees.

(b) "Cost of material and supplies" including small tools, is the purchase price at the point of free delivery plus the cost of inspection, loading, and transportation charges borne by the company, and a suitable proportion of store expense. Cash discounts on materials purchased shall be credited to the cost of the materials to which they apply. In calculating the cost of materials used proper allowance shall be made for the value of unused portions and other salvage.

(c) "Cost of special-machine service" includes the cost of labor expended and of material and supplies consumed in operating such machines in maintenance work; also rents paid for such machines.

(d) "Cost of contract work" includes amounts paid for repair work performed under contract by others, and costs incident to the awarding of the contract.

(e) "Cost of privileges" includes amounts paid for special privileges, such as for the use of private or public property in connection with repairs of property.

(f) "Cost of protection from casualties" includes expenditures for protection against fire, flood, etc., such as payments for discovery or extinguishment of fires, cost of detecting and prosecuting incendiaries, witness fees in relation to such protection, amounts paid to municipal corporations and others for fire protection, protecting buildings and other structures against damages by floods, and analogous items. It does not include insurance premiums paid to

assure reimbursement for prospective losses.

§ 24.01–36 *Royalties on appliances.* The royalties or other expenses for patent rights on appliances used in operation shall be included in the appropriate operating expense accounts.

§ 24.01–37 *Injuries and damages.* In order that the probable liability for casualties may be shown currently, there shall be included in the appropriate casualty accounts estimates of such liabilities with concurrent credits to account 875, "Insurance and casualty reserves." Credits for this purpose shall not be made in excess of a reasonable provision against such losses. When the liability is admitted, either voluntarily or because of the decision of a court or other lawful authority such as workmen's compensation board, the admitted liability shall be charged to the reserve and credited to the appropriate liability account, with appropriate adjustments of the reserve.

§ 24.01–38 *Clearing accounts.* In recognition of the fact that certain expenditures are chargeable to more than one account and cannot be allocated directly as they are incurred, to the appropriate accounts, clearing accounts have been provided in which to assemble such costs and distribute them equitably to the proper accounts.

§ 24.01–39 *Boarding house operations.* This clearing account shall include the cost of commissary supplies and the expenses incurred in purchasing, storing and disbursing such supplies; also, the cost of supervision, labor, and other expenses incurred in the maintenance and operation of boarding houses. The account shall be cleared each month to the appropriate operating expense or other accounts and shall be apportioned among the various accounts affected upon the basis of the relative proportion which the balance in the account bears to the directly distributed labor. Expenses assignable to this account are as follows:

(a) *Supervision and labor.* The pay and expenses of officers and employees while engaged in the purchasing, storing and disbursing commissary and other boarding house supplies or in supervising the maintenance and operation of boarding houses, including, the pay of clerks, chefs, waiters, dishwashers, janitors, flunkeys, etc.

(b) *Fuel, light and water.* The cost of fuel used in cooking ranges and heating equipment; the cost of electric current; and, the cost of water.

(c) *Equipment.* The cost of tableware, pantryware, table linen, cooking utensils, ranges, cabinets, furniture and fixtures, towels, and other boarding house fixtures and equipment, not chargeable to investment in property.

(d) *Commissary supplies.* The cost of commissary supplies, including food, cigars, cigarettes, tobacco, candies cleaning and scouring soaps and powders, toilet soaps, matches, toothpicks, meal tickets, etc.

(e) *Meals, etc. (Credit).* The value of free meals served; and, amounts collected direct or deducted from wages of employees for meals, cigars, cigarettes, tobacco, candies, etc.

§ 24.01–40 *Ice plant operations.* This clearing account shall include the cost of supervision, labor, material and other costs, except production cost of ice, incurred in the maintenance and operation of ice manufacturing plants, natural ice plants and ice storage plants (including icing platforms and precooling facilities operated in conjunction with such ice plants). The account shall be cleared each month to the appropriate operating expense accounts. (See accounts 411, "Precooling service," and 352, "Ice produced.") Expenses assignable to this account are as follows:

(a) *Supervision.* The salaries, office and traveling expenses, and premiums on fidelity bonds of officers and assistants directly in charge of maintenance and operations at ice plants.

(b) *Buildings and machinery.* The cost of material used and labor expended in the maintenance of building and structures, machinery, tools and equipment, except ice tools and appliances, and water supply machinery and equipment; and, the cost of water and gas lines, sidewalks, driveways, fences, and grounds; also heating, lighting and fire alarm systems.

NOTE: "Buildings and structures" include fixtures permanently attached thereto.

(c) *Ice ponds.* The cost of material used and labor expended in the maintenance of ice ponds, including dams, canals, flumes, sluiceways, etc.; also pumping machinery and other equipment for supplying water to ice ponds.

(d) *Wells and reservoirs.* The cost of material used and labor expended in the maintenance of wells and reservoirs, pumping machinery and other water supply equipment, except such as used to supply water to ice ponds.

(e) *Ice tools and appliances.* The cost of material used and labor expended repairing, and cost of renewing ice tools and appliances used in producing (including harvesting), storing and issuing ice.

(f) *Injuries to persons.* All expenses incident to injuries to persons when caused directly in connection with maintenance and operations at ice plants, including medical, surgical and hospital expenses, transportation of injured persons, and expenses of employees while attending inquests or engaged as witnesses in injury law suit cases.

(g) *Rent.* Amount of rent paid for property used in connection with ice plant operations.

(h) *Heat, light and water.* The cost of coal, fuel oil, electricity, gas, etc., used for heating and lighting; and, water purchased, except such as used in the manufacture of ice, filling ice ponds, or producing steam.

(i) *Stable and garage expenses.* The cost of feed, keeping and shoeing horses, wages of stablemen and hostlers, veterinary expenses and other stable expenses; the cost of repairs to harness and wagons, and the cost of oil, gasoline and supplies for automotive equipment; also, the cost of material used and labor expended in maintaining such equipment.

(j) *Icing cars.* The cost of labor expended delivering ice from storerooms into bunkers or bodies of cars for protection of perishable freight shipments.

NOTE: Expenses incurred in respect of "shipped in" ice, not stored in ice plant storerooms but handled directly over the icing platforms into bunkers or bodies of cars, shall be charged to the appropriate operating expense account.

(k) *Loading ice.* The cost of labor expended delivering ice into cars or trucks, except ice direct from ponds, for shipment to other points.

(l) *Power.* The cost of power, produced or purchased, and used in delivering ice from storerooms into bunkers or bodies of cars, or to cars or trucks for shipment to other points.

(m) *Other expenses.* Maintenance and operation expenses not otherwise provided for; and, cost of power plant labor, fuel, water, electric energy and other supplies during period the manufacture of ice is suspended.

(n) *Depreciation.* Amounts covering depreciation of buildings and structures, machinery, tools, equipment, and other depreciable facilities.

(o) *Retirements.* The cost of dismantling buildings and structures, machinery, and other facilities retired; also the cost of recovering salvage therefrom; and, the undepreciated service value at time of retirement.

(p) *Ice plant operations—Credit.* Credit for maintenance and operation expenses applicable to precooling service, etc., the directly distributed charges for which are made the clearing account, "Ice plant operations."

§ 24.01–41 *Power plant operations.* This clearing account shall include the supervision, labor, material and other expenses incurred in the maintenance and operation of power plants operated to produce electric or other power. The account shall be cleared each month in accord with disposition of the power produced.

§ 24.01–42 *Production cost of ice.* This clearing account shall include the direct costs entering into the production and storage of ice at ice manufacturing plants, natural ice plants and ice storage plants. The account shall be cleared each month to the appropriate operating expense or other accounts. (See accounts 411, "Precooling service," and 352, "Ice produced.") Expenses assignable to this account are as follows:

(a) *Power room labor.* The wages of engineers, firemen, oilers and other power room labor, except when engaged in maintenance work.

NOTE: During period the manufacture of ice is suspended, power room labor shall be charged to clearing account, "Ice plant operations."

(b) *Tank room labor.* The wages of "ice pullers" and other ice freezing tank room labor, except when engaged in maintenance work.

(c) *Storing ice.* The cost of labor expended storing ice in storerooms; also, labor cleaning storerooms, removing slush ice, defrosting ammonia coils, op-

erating elevators and conveyors, unloading ice from cars, and other incidental operations in connection with the storage of ice, but excluding maintenance labor.

(d) *Electric energy and fuel.* The cost of electric energy and fuel (coal, gas, etc.) used for power manufacturing, harvesting and storing ice.

NOTE: During the period the manufacture of ice is suspended, above cost shall be charged to clearing account, "Ice plant operations."

(e) *Ammonia.* The cost of ammonia consummed in the manufacture of ice, maintaining temperatures in ice storerooms, etc.

(f) *Water and other supplies.* The cost of water used in the manufacture of ice, filling ice ponds, or producing steam; also, the cost of various supplies used in connection with the production of ice.

NOTE: During the period the manufacture of ice is suspended, the cost of the water and other supplies shall be charged to clearing account, "Ice plant operations."

(g) *Flooding ponds.* The cost of fuel and electric power used in pumping water to fill ice ponds; also, the cost of labor expended in operating pumps or otherwise engaged in filling ice ponds.

(h) *Bucking snow.* Expenses incurred, such as horse hire and feed, rental of equipment and incidental expenses; also labor expended in connection with the removal of snow and slush ice during the course of freezing or the harvesting of ice.

(i) *Cutting and running ice.* Ice pond expenses such as horse hire and feed, rental of equipment, labor plowing, splitting and running ice to elevators; also, the cost of electric energy for power and lights and incidental expenses in connection with the cutting and running of ice harvested.

(j) *Conveying ice to storerooms.* The cost of labor expended operating elevators and conveyors and other miscellaneous expenses incurred in conveying ice from ice ponds into ice storerooms.

(k) *Conveying ice to cars.* Expenses incurred operating conveyors and other miscellaneous expenses in connection with conveying ice from ice ponds into cars for shipment, including the cost of cleaning and switching the cars.

(l) *Ice purchased or stored under contract.* Payments to contractors for ice or for harvesting and storing ice.

NOTE: Where contractors do not store the ice, the cost incurred therefor shall be included in the cost of "Storing ice."

(m) *Transportation of ice stored.* Transportation charges on ice from ponds or other source and stored.

(n) *Other expenses.* Other production cost of ice expenses not otherwise provided for.

(o) *Production cost; credit.* Credit for production cost applicable to precooling service, and, to the protection of perishable commodities in storerooms rented to individuals and companies, etc., the directly distributed charges for which are made to clearing account, "Production cost of ice."

§ 24.01–43 *Material store expenses.* This clearing account shall include expenses in connection with purchasing, handling, and storing material in and distributing it from material stores, including the pay of officers and employees in the purchasing and store departments, and their traveling, office, and other expenses; also all expenses, including wages of operators, fuel, supplies and repairs of motor trucks, tractors and trailers, "truck-lifts," locomotive and other power cranes, etc., used in handling material: *Provided,* That the pay and expenses of employees engaged in purchasing and inspecting a single class of material, such as lumber, shall be added to the cost of that particular material: *And provided further,* That the pay of employees delivering material from point of storage to that of use shall be charged to the account to which the cost of the material is charged.

The total amount of expenses charged to this clearing account shall be so distributed among the accounts to which the material is charged that the amount to each account will be in proportion to the charges thereto for the material issued, except that the amount representing purchasing department expenses shall be apportioned on basis of the value of the material issued which was purchased by that department. To avoid monthly fluctuations in the ratio of store expenses to the value of material issued or purchased, a monthly apportionment may be made on the basis of fair percentage rates, provided, the material store expense account be adjusted and closed out at the end of each year.

A separate clearing account is provided for "Stationery store expenses," as follows:

§ 24.01–44 *Stationery store expenses.* This clearing account shall include expenses in connection with purchasing, handling, and storing stationery (including stationery supplies), in and distributing it from stationery stores, including the pay of officers and employees of the purchasing department and stationery stores, and their traveling, office and other expenses, including wages of operators, fuel, supplies and repairs of motor trucks, etc., used in handling stationery.

The total amount of expenses charged to this clearing account shall be so apportioned to the accounts to which the stationery is charged that the amount to each account will be in proportion to the charges thereto for the material issued, except that the amount representing purchasing department expenses shall be apportioned on basis of the value of the stationery issued which was purchased by that department. To avoid monthly fluctuations in the ratio of stationery store expenses to the value of stationery issued or purchased, a monthly apportionment may be made on the basis of fair percentage rates, provided the stationery store expense account be adjusted and closed out at the end of each year.

§ 24.01–45 *Shop expenses.* This clearing account shall include items of expense incurred at car repair shops not assignable directly to specific accounts. Such expenses shall be apportioned among the various accounts affected and the basis of distribution shall be the relative proportion which the total amount of charges to this account bears to the total of directly distributed labor to all accounts. To avoid monthly fluctuations in the ratio of shop expenses to the total of directly distributed labor, monthly apportionment may be made on the basis of a percentage of the distributed labor, provided the shop expense account be adjusted and closed out at the end of each year. Expenses assignable to this account are as follows:

(a) *General shop employees.* The pay of general foremen who exercise direct supervision over small shops, unassisted by individual shop foremen, the pay of car repair foremen, piecework checkers, inspectors and individual shop foremen, assistant foremen and similar supervising employees and their clerical assistants; the pay of chauffeurs, cleaners and other unskilled laborers performing general work in and about shops, shop repair tracks and grounds; and, the pay of watchmen, gatekeepers and policemen; also, the pay of employees while repairing or in charge of shop tools as well as pay of employees while fighting fire or attending fire drills.

(b) *Power.* The cost of electric and other power purchased or produced and received from company power plants. The pay of engineers, firemen and other employees while engaged in the production of steam, compressed air, etc., at car shops and the cost of fuel, oil, grease, water, hand tools and other supplies used in such production.

(c) *Heating.* The pay of firemen and others while operating heating plants; and the cost of electricity, fuel, and other supplies used in heating car shop facilities.

(d) *Lighting.* The cost of electric current, gas, etc., purchased or produced and received from company power plants, and used for lighting; and, the cost of labor expended and material used in the operation of lighting plants and in repairing lights, including replacement of electric globes.

(e) *Switching locomotives, motor vehicles, etc.* All expenses incurred (except for repairs), including the cost of fuel and other supplies; also wages in connection with the operation of switching locomotives, motor trucks, tractors and trailers.

(f) *Shop supplies.* The cost of fuel for furnaces, forges and other shop work; and the cost of hand tools and miscellaneous equipment, test room and laboratory supplies; and lubricting oils, greases, etc., for shop machinery and tools; also water and other supplies used generally.

(g) *Incidental.* Traveling expenses in connection with car shop operation and not directly assignable to specific accounts; the cost of time clocks and recorders, watchmen's uniforms, clocks, and call boxes; and, the cost of removing snow and ice from shop years, cleaning toilets, and horse keep; also, other miscellaneous undistributed shop expenses.

§ 24.01–46 *Equalization of car repairs.* The cost of car repairs shall be included in account 310, "Car repairs," in the month in which the expense is recorded. In case the company adopts a repair program for all or part of the calendar year and estimates the cost of repairs includible in account 310, "Car repairs," an equitable monthly proportion of the difference between the estimated and the actual expenses chargeable each month shall be debited or credited to account 330, "Equalization—Car repairs." Any balance in account 876, "Equalization reserves," shall be cleared therefrom as soon as the work contemplated by the plan has been completed.

§ 24.01–47 *Deferred maintenance and major repairs to rolling stock.* When so authorized by the Commission there may be included each month in the appropriate accounts for deferred maintenance or major repairs an equitable proportion of the amount necessary: to provide for the cost of repairs which the company finds it is unable to undertake or complete during any calendar year due to non-receipt of material or adverse labor conditions; or, in anticipation of major repairs to rolling stock which are made at intervals of several years. The amount included in these accounts shall be concurrently credited to account 877, "Maintenance reserves." The cost of such repairs when made shall be charged to the appropriate repair accounts in operating expenses, and to the extent that provision has been made for such repairs, amounts included in account 877, "Maintenance reserves," shall be cleared therefrom through the accounts originally charged. The company in its application shall give full particulars concerning the nature of the repair work specifically provided for and an estimate by primary accounts of the cost of such repairs.

§ 24.01–48 *Depreciation.* (a) There shall be charged monthly to the appropriate operating expense accounts or other appropriate accounts and credited to account 879, "Accrued depreciation—Cars or protective service property," during the service life of depreciable property, amounts which will approximate the loss in service value not restored by current repairs or covered by insurance, except that such charges covering property used seasonally, such as ice and heater facilities, shall be spread over the period when such facilities are used. The charges for currently accruing depreciation shall be computed in conformity with the group plan for rolling stock and the unit plan for all other depreciable property, by applying to the book cost, such percentage rates as will distribute the service value by the straight-line method in equal annual charges during the estimated life of the property.

(b) As soon as the information can be assembled the company shall compute annual percentage rates estimated to be applicable to the book cost of the property in each depreciable primary account. These percentage rates shall be based on the estimated service values and service lives of the depreciable property developed by a study of the company's history and experience and such engineering and other information as may be available with respect to future conditions. Such percentage rates shall, for each primary account comprised of more than one class of property, produce a charge for depreciation based on book cost or estimated book cost of the depreciable property included in such account equal to the sum of the amounts that would otherwise be chargeable as depreciation for each of the various classes of property included in such account.

(c) The company shall keep such records of depreciable property and property retirements as will reflect the service life of property which has been retired, or will permit the determination of service life indications by mortality, turnover, or other appropriate methods; also such records as will reflect the value of the salvage from property retired of each class of depreciable property.

(d) In computing monthly charges the annual percentage rates shall be applied to the book cost of depreciable property as of the first of each month and the result divided by twelve, except for property used seasonally.

(e) For the purpose of depreciation accounting the following primary accounts are classed as depreciable accounts:

2. Public improvements.
3. Rolling stock.
4. Miscellaneous equipment.
5. Tracks.
6. Car shop buildings and machinery.
7. Work equipment.
8. Ice manufacturing plants.
9. Natural ice plants.
10. Ice storage houses and equipment.
11. Precooling plants.
12. Icing platforms.
13. Transmission systems.
14. Testing apparatus.
15. Miscellaneous structures.

(f) The term "group plan" as applied to depreciation accounting means the method under which the depreciation charges are accrued upon the basis of the book cost of depreciable property included in each primary account using the average service life thereof properly weighted, and upon the retirement of a unit of depreciable property its full service value is charged to the reserve regardless of the amount accrued with respect to the unit retired.

(g) Under the "unit plan" when a unit of depreciable property is retired the reserve is charged with the amount accrued thereon and any remainder is included in the appropriate retirement account; also accruals cease when a unit is fully dereciated.

§ 24.01–49 *Supervision.* (a) The supervision expenses includible in operating expenses shall consist of the pay and expenses, including transportation, lodgings, meals, and other incidental expenses, of the officers, clerks, attendants and other employees and consultants engaged in supervising and directing the maintenance and operation of the various services or functions; also the office expenses, including supplies, services, books, periodicals, repairs of office furniture and equipment, etc.

(b) When the officers and other employees are engaged in supervising more than one service and it is found impracticable to segregate all of the pay and expenses by services currently to the appropriate supervision accounts, such expenses as are common to two or more services may be included in a clearing account, and allocated to the respective supervision accounts annually, or more frequently, if required. A similar method of allocation may be used with respect to any other common expenses relating to two or more services, where it is impracticable to segregate such expenses currently.

§ 24.01–50 *Rents.* Expense accounts are provided under each service in which to include the amounts payable for the use of property leased from others. These accounts shall be charged each month with the amounts payable as rent of the property and facilities used in performing the various services. If the amount of rent is in payment for property used in more than one service, such amount shall be apportioned to the appropriate rent or clearing accounts on an actual, or if necessary, on an estimated basis.

§ 24.01–51 *General expenses.* The company shall be prepared to report to the Commission annually or more frequently, if required, the allocation of general expenses (accounts 550 to 569, incl.) to the respective services.

CAR SERVICE

§ 24.301 *Supervision.* This account shall include the cost of supervising and directing the maintenance and operation of car service.

§ 24.303 *Rents: car service facilities.* This account shall include all rents except as otherwise provided of property of others used, occupied, or operated in connection with furnishing car service.

§ 24.305 *Car distribution.* This account shall include the pay, travel, office and other expenses of officers, clerks and attendants, general, district and local agents and other employees in charge of or engaged in the distribution of cars to loading points, including keeping car records, reporting movements of cars; also cost of telephone and telegraph services in connection therewith.

§ 24.308 *Cleaning and conditioning cars.* This account shall include the cost to the company, including amounts payable to others, for cleaning and conditioning cars; also mainteance and rental of tracks used for such purpose.

§ 24.310 *Car repairs.* This account shall include the cost of repairing cars and their appurtenances, including cost of small hand tools, amounts paid others for repairs to cars for which the company is liable and cost of transporting cars to shops and repair tracks for repairs.

§ 24.311 *Other repairs.* This account shall include cost of repairing shops, buildings and other car service facilities, including drainage, water, gas, and sewer pipes and connections; machinery and other apparatus; also cost of maintaining grounds appurtenant to such facilities.

§ 24.321 *Injuries to persons.* This account shall include payments on account of injuries to persons when caused directly in connection with car service and not recoverable through insurance, including expenses of physicians and surgeons, nurses, hospital service, medical and surgical supplies, artificial limbs, undertaking and funeral expenses, transportation expenses of injured persons and attendants; also expenses of employees and others while engaged as adjusters and witnesses in connection with such claims.

§ 24.322 *Insurance.* This account shall include the cost of premiums, except reinsurance premiums, for insuring the company against loss through injuries to persons, damage to, destruction or loss of property when such loss or damage would be chargeable to car service; also premiums on fidelity bonds of employees whose pay is charged to car service.

§ 24.323 *Stationery and printing.* This account shall include the cost of all stationery and printing, rentals of and repairs to office appliances and office machines used in connection with furnishing car service.

§ 24.329 *Other expenses.* This account shall include all expenses in connection with car service operations not otherwise provided for.

§ 24.330 *Equalization; car repairs.* This account shall include adjustments of the differences between the actual and the estimated cost of car repairs as provided in §24.01–46 of special instructions for operating expenses. The amounts included in this account shall be concurrently debited or credited to account 876, "Equalization reserves."

§ 24.332 *Deferred maintenance; car service facilities.* (a) This account shall include the estimated cost of repairs to car service property which cannot be made during the current year due to priorities for material and supplies or shortage of labor.

(b) This account shall be credited with amounts cleared from account 877, "Maintenance reserves," in accordance with the text of that account.

CROSS REFERENCE: See § 24.01–47 "Deferred maintenance and major repairs to rolling stock."

(c) *Note.* Estimated cost of heavy repairs to rolling stock, that are usually made at intervals of several years, shall be charged to account 333, "Major repairs—Rolling stock."

§ 24.333 *Major repairs; rolling stock.* (a) This account shall be charged with the estimated cost of anticipated major repairs to equipment that are usually made at intervals of several years.

(b) This account shall be credited with amounts cleared from account 877, "Maintenance reserves," in accordance with the text of that account. (Same cross reference as account 332.)

§ 24.336 *Depreciation; rolling stock.* This account shall include the amount of depreciation charges applicable to the accounting period relating to rolling stock.

CROSS REFERENCE: See § 24.01–48 "Depreciation."

§ 24.337 *Depreciation; other car service facilities.* This account shall include the amount of depreciation charges applicable to the accounting period relating to all car service property, except rolling stock.

CROSS REFERENCE: See § 24.01–48 "Depreciation."

§ 24.338 *Retirements; car service facilities.* This account shall include the cost of dismantling retired car service property and recovering the salvage therefrom. It shall also include the undepreciated service value of car service property at the time of its retirement, which was accounted for under the unit plan of depreciation accounting.

CROSS REFERENCE: See § 24.01–48 "Depreciation."

§ 24.339 *Amortization; car service facilities.* This account shall include the amount of amortization charges accrued during the accounting period for car service property with respect to which the company has elected to observe amortization accounting for income tax purposes under section 124, "Amortization deduction," of the Internal Revenue Code. The charges so included shall be in conformity with the allowances acceptable to the Bureau of Internal Revenue under regulations prescribed by it.

NOTE: Car service property subject to amortization accounting with charges to this account is exempt from the accrual of depreciation under accounting regulations otherwise applicable.

ICE AND SALT

§ 24.351 *Ice purchased.* This account shall include the cost (including transportation charges and cost of storage, if stored at company expense) of ice purchased from individuals and companies and placed in the bunkers or bodies of cars for refrigeration purposes; also transportation charges, if any, transporting ice to icing platforms.

§ 24.352 *Ice produced.* This account shall include the cost (including transportation charges, if any, and cost of storage, if stored at company expense) of ice manufactured or harvested at ice plants operated by the company, which is placed in the bunkers or bodies of cars for refrigeration purposes; also transportation charges, if any, transporting ice to icing platforms.

NOTE: The cost per ton of producing ice shall be determined and distributed to this account through a clearing account.

CROSS REFERENCE: See § 24.01–40 "Ice plant operations," and § 24.01–42 "Production cost of ice."

§ 24.353 *Rents; icing facilities.* This account shall include all rents of property of others used, occupied, or operated in connection with the operation of icing facilities.

§ 24.355 *Icing operations.* This account shall include the pay and expenses of employees engaged in placing ice and salt in bunkers or bodies of cars for refrigeration of shipments, whether at icing platforms or sheds, or elsewhere. It shall also include telephone service, heat, light, water, power for ice handling machinery, and other supplies and incidental expenses in connection with operating icing platforms and sheds; also cost of labor and other platform expenses incurred at points where ice is purchased from others and the expense of unloading shipments of ice from cars to platform and delivery to bunkers or bodies of cars.

§ 24.360 *Repairs; icing facilities.* This account shall include the cost of repairing icing platforms, machinery and sheds including equipment; fixtures, and appurtenances thereto; and electric wiring, conveyors, and motors, used in connection with icing shipments; also the cost of cleaning facilities and lubricating equipment; and maintaining grounds appurtenant to the facilities.

§ 24.361 *Injuries to persons.* This account shall include payments on account of injuries to persons when caused directly in connection with icing operations and not recoverable through insurance, including expenses of physicians and surgeons, nurses, hospital service, medical and surgical supplies, artificial limbs, undertaking and funeral expenses, transportation expenses of injured persons and attendants; also expenses of employees and others while engaged as adjusters and witnesses in connection with such claims.

§ 24.362 *Insurance.* This account shall include the cost of premiums, except reinsurance premiums, for insuring the company against loss through injuries to persons, damage to, destruction of or loss of property when such loss or damage would be chargeable to icing operations; also premiums on fidelity bonds of employees whose pay is chargeable to icing operations.

§ 24.369 *Other expenses.* This account shall include all expenses in connection with the icing of shipments, not otherwise provided for.

§ 24.382 *Deferred maintenance; icing facilities.* (a) This account shall include the estimated cost of repairs to icing facilities which cannot be made during the current year due to priorities for material and supplies or shortage of labor.

(b) This account shall be credited with amounts cleared from account 877, "Maintenance reserves," in accordance with the text of that account.

CROSS REFERENCE: See § 24.01–47 "Deferred maintenance and major repairs to rolling stock."

§ 24.386 *Depreciation; icing facilities.* This account shall include the amount of depreciation charges applicable to the accounting period relating to all icing facilities.

CROSS REFERENCE: See § 24.01–48 "Depreciation."

§ 24.388 *Retirements; icing facilities.* This account shall include the cost of dismantling retired icing facilities and recovering the salvage therefrom. It shall also include the undepreciated

service value of icing facilities at the time of their retirement.

CROSS REFERENCE: See § 24.01–48 "Depreciation."

§ 24.389 *Amortization; icing facilities.* This account shall include the amount of amortization charges accrued during the accounting period for icing facilities with respect to which the company has elected to observe amortization accounting for income tax purposes under section 124, "Amortization deductions," of the Internal Revenue Code. The charges so included shall be in conformity with the allowances acceptable to the Bureau of Internal Revenue under regulations prescribed by it.

NOTE: Icing facilities subect to amortization accounting with charges to this account are exempt from the accrual of depreciation under accounting regulations otherwise applicable.

§ 24.395 *Salt.* This account shall include the cost of salt supplied to cars in connection with icing shipments, including the cost of placing salt in the bunkers of the cars.

NOTE: When salt is placed in refrigerator cars incidental to regular icing operations, the costs in connection therewith, when not readily separable, may be included in account 355, "Icing operations."

OTHER REFRIGERATION SERVICE

§ 24.401 *Supervision.* This account shall include the cost of supervising and directing the maintenance and operation of refrigeration service.

§ 24.403 *Rents; refrigeration service facilities.* This account shall include all rents except as otherwise provided of property of others used, occupied, or operated in connection with furnishing refrigeration service.

§ 24.405 *Diversions and reconsignments.* This account shall include the pay, travel and other expenses of employees engaged in handling and maintaining records of diversions and reconsignments of shipments moving under protective service against heat, including furnishing of passing information and all other expenses incident to diversion or reconsignment of such shipments.

§ 24.410 *Repairs; refrigeration service facilities.* This account shall include the cost of repairing buildings, machinery, fixtures, and other apparatus used in connection with furnishing refrigerator service; also cost of cleaning facilities and lubrication equipment; and maintaining grounds appurtenant to the facilities.

§ 24.411 *Precooling service.* This account shall include the cost of precooling refrigerator cars for loading with shipments at precooling plants or elsewhere.

CROSS REFERENCE: See § 24.01–40 "Ice plant operations," and § 24.01–42 "Production cost of ice."

§ 24.421 *Injuries to persons.* This account shall include payments on account of injuries to persons when caused directly in connection with refrigeration service operations and not recoverable through insurance, including expenses of physicians and surgeons, nurses, hospital service, medical and surgical supplies, artificial limbs, undertaking and funeral expenses, transportation expenses of injured persons and attendants; also expenses of employees and others while engaged as adjusters and witnesses in connection with such claims.

§ 24.422 *Insurance.* This account shall include the cost of premiums, except re-insurance premiums, for insuring the company against loss through injuries to persons, damage to or destruction or loss of property when such loss or damage would be chargeable to refrigeration service operations; also premiums on fidelity bonds of employees whose pay is charged to such service.

§ 24.423 *Stationery and printing.* This account shall include the cost of all stationery and printing, rentals of and repairs to office appliances and machines used in connection with furnishing refrigeration service.

§ 24.429 *Other expenses.* This account shall include all expenses in connection with refrigeration service operations not otherwise provided for.

§ 24.432 *Deferred maintenance; refrigeration service facilities.* (a) This account shall include the estimated cost of repairs to refrigeration service property which cannot be made during the current year due to priorities for material and supplies or shortage of labor.

(b) This account shall be credited with amounts cleared from account 877, "Maintenance reserves," in accordance with the text of that account.

CROSS REFERENCE: See § 24.01–47 "Deferred maintenance and major repairs to rolling stock."

§ 24.436 *Depreciation; refrigeration service facilities.* This account shall include the amount of depreciation charges applicable to the accounting period relating to refrigeration service property.

CROSS REFERENCE: See § 24.01–48 "Depreciation."

§ 24.438 *Retirements; refrigeration service facilities.* This account shall include the cost of dismantling retired refrigeration service property and recovering the salvage therefrom. It shall also include the undepreciated service value of refrigeration service property at the time of its retirement.

CROSS REFERENCE: See § 24.01–48 "Depreciation."

§ 24.439 *Amortization; refrigeration service facilities.* This account shall include the amount of amortization charges accrued during the accounting period of refrigeration service property with respect to which the company has elected to observe amortization accounting for income tax purposes under section 124, "Amortization deduction," of the Internal Revenue Code. The charges so included shall be in conformity with the allowances acceptable to the Bureau of Internal Revenue under regulations prescribed by it.

NOTE: Refrigeration service property subject to amortization accounting with charges to this account is exempted from the accrual of depreciation under accounting regulations otherwise applicable.

HEATER SERVICE

§ 24.451 *Supervision.* This account shall include the cost of supervising and directing the maintenance and operation of heater service.

§ 24.453 *Rents; heater service facilities.* This account shall include all rents except as otherwise provided of property of others used, occupied or operated in connection with furnishing heater service.

§ 24.455 *Diversions and reconsignments.* This account shall include the pay, travel and other expenses of employees engaged in handling and maintaining records of diversions and reconsignments of shipments moving under protective service against cold, including furnishing of passing information and all other expenses incident to diversion or reconsignment of such shipments.

§ 24.457 *Heater fuel.* This account shall include the cost, including freight, express and handling charges of charcoal, charketts, coal, coke, briquets, oil, solidified alcohol or other fuel, but excluding fuel for special equipment for preheating cars, to be used in heating cars moving or to move under protective service against cold; also the cost of unloading and placing such fuel in buildings or other regular storage facilities.

This account shall be credited with the value of heater fuel reclaimed in the servicing of car heaters.

NOTE: The cost of fuel used in special equipment for preheating cars shall be charged to account 461, "Preheating service."

§ 24.458 *Inspecting and servicing of heaters.* This account shall include the pay, travel and other expenses of employees, other than those included in accounts 451, "Supervision," and 460, "Repairs—Heater service facilities," engaged in servicing cars containing shipments moving under any form of heater service, the installation, lighting, fueling, adjusting, extinguishing, and cleaning of heaters in cars and removing heaters from cars either during the progress of or after the completion of the movement, when placed therein for protection of the lading of the cars against cold. It shall also include the cost of opening, closing or otherwise manipulating car ventilators, plugging drains, stacking and wiring ice grates, applying heater warning and other cards to cars; also the cost of lanterns, flashlights, ladders, ropes and other tools, supplies and expenses used in or incident to performing such services.

§ 24.460 *Repairs; heater service facilities.* (a) This account shall include the cost of repairing car heaters; also the cost of handling and transporting heaters between storage houses and distributing or other points where normally held for service or repairs.

(b) This account shall also include the cost of cleaning, protecting, and repairing heater facilities, such as buildings and other structures for the handling, storing, and repairing of car heaters and the storing of heater fuel, tools, and other supplies, including fixtures, ma-

chinery, and other appurtenances of the building; also the cost of maintaining grounds appurtenant to such buildings.

§ 24.461 *Preheating service.* This account shall include all expenses incident to the preheating of cars prior to installation of car heaters in cars, to be moved under any form of heater service, with special equipment such as salamanders, stoves, or oil heaters. Such expenses include the cost of all fuel and supplies used in this equipment and the cost of installing, fueling, firing, checking, extinguishing, and removing the equipment from cars; also the cost of handling, repairing, storing and moving the equipment when not in use, and the traveling and other expenses of employees engaged in preheating cars.

§ 24.471 *Injuries to persons.* This account shall include payments on account of injuries to persons when caused directly in connection with heater service and not recoverable through insurance, including expenses of physicians and surgeons, nurses, hospital service, medical and surgical supplies, artificial limbs, undertaking and funeral expenses, transportation expenses of injured persons and attendants; also expenses of employees and others while engaged as adjusters and witnesses in connection with such claims.

§ 24.472 *Insurance.* This account shall include the cost of premiums, except reinsurance premiums for insuring the company against loss through injuries to persons, damage to or destruction or loss of property when such loss or damage would be chargeable to heater service; also premiums on fidelity bonds of employees whose pay is chargeable to heater service.

§ 24.473 *Stationery and printing.* This account shall include the cost of all stationery and printing, rentals of and repairs to office appliances and office machines used in connection with furnishing heater service.

§ 24.479 *Other expenses.* This account shall include all expenses in connection with heater service operations not provided for elsewhere.

§ 24.482 *Deferred maintenance; heater service facilities.* (a) This account shall include the estimated cost of repairs to heater service property which cannot be made during the current year due to priorities for material and supplies or shortage of labor.

(b) This account shall be credited with amounts cleared from account 877, "Maintenance reserves," in accordance with the text of that account.

CROSS REFERENCE: See § 24.01–47 "Deferred maintenance and major repairs to rolling stock."

§ 24.486 *Depreciation; heater service facilities.* This account shall include the amount of depreciation charges applicable to the accounting period relating to heater service property.

CROSS REFERENCE: See § 24.01–48 "Depreciation."

§24.488 *Retirements; heater service facilities.* This account shall include the cost of dismantling retired heater service property and recovering the salvage therefrom. It shall also include the undepreciated service value of heater service property at the time of its retirement.

CROSS REFERENCE: See § 24.01–48 "Depreciation."

§24.489 *Amortization; heater service facilities.* This account shall include the amount of amortization charges accrued during the accounting period for heater service property with respect to which the company has elected to observe amortization accounting for income tax purposes under section 124, "Amortization deduction," of the Internal Revenue Code. The charges so included shall be in conformity with the allowances acceptable to the Bureau of Internal Revenue under regulations prescribed by it.

NOTE: Heater service property subject to amortization accounting with charges to this account is exempt from the accrual of depreciation under accounting regulations otherwise applicable.

MISCELLANEOUS

§ 24.501 *Ventilation service.* This account shall include all expenses incurred in connection with furnishing ventilation service.

§ 24.505 *Curtain service.* This account shall include all expenses incurred in connection with furnishing curtains placed in cars for the purpose of separating shipments moving under more than one class of protective service.

§ 24.508 *Papering cars.* This account shall include all expenses incurred in papering cars to be used for shipments transported under protective service.

§ 24.510 *Loss and damage claims.* This account shall include payments for loss, damage, delay or destruction of perishable freight moving under protective service when not recoverable through insurance; also the pay, travel, office, and other expenses of employees and others engaged in supervising, investigating, adjusting, and settling loss and damage claims, including notarial fees in connection with claims, expenses of employees, and others serving as witnesses in law suits, and all other expenses directly incident to the handling of loss and damage claims.

§ 24.515 *Other expenses.* This account shall include any expenses of an incidental nature incurred in connection with furnishing protective service not otherwise provided for.

GENERAL

§ 24.550 *Salaries and expenses of general officers and clerks.* This account shall include:

(a) *Salaries of officers.* The pay of general officers and assistants authorized to act for such officers, including salaries and fees of receivers and trustees and commissions paid to general officers in lieu of salaries.

(b) *Salaries of clerks and attendants.* The pay of clerks and attendants in the offices of the general officers whose pay is chargeable to this account.

(c) *Expenses.* Traveling and other expenses of employees whose pay is chargeable to this account

(d) *Note.* The pay and expenses of purchasing agents, storekeepers and their clerks and attendants shall be included in clearing account "Store expenses."

§ 24.551 *General office supplies and expenses.* This account shall include the office expenses of general officers, and of their clerks and attendants.

§ 24.552 *Rents.* This account shall include all rents, except rent of office machines, payable for the property of others used, occupied, or operated in connection with the general administrative functions of the company.

§ 24.554 *Law expenses.* (a) This account shall include the pay of officers directly in charge of the law department, and of solicitors and attorneys, their clerks and attendants, and fees and retainers for services of attorneys not regular employees of the company.

(b) Traveling expenses of officers specified above and of their clerks; cost of law books, printing briefs, legal forms, testimony, reports, etc.

(c) The cost of suits and payments of special fees, notarial and witness fees not provided for under accounts for "Loss and Damage," and "Injuries to Persons," and fees paid arbitrators for settlement of disputed questions, and all law and court costs not provided for elsewhere.

§ 24.559 *Pensions and relief.* This account shall include pensions or gratuities paid out of the company's funds to retired employees or the heirs of former employees and the expenses incurred solely in connection therewith.

It shall also include premiums on policies under which employees are insured and they or their heirs are the beneficiaries; and expenses incurred and amounts contributed towards funds or otherwise for the relief of employees.

NOTE: If under a contractual pension plan which definitely establishes the payment of pensions to employees regularly retired for superannuation or disability, the company elects to set aside in an irrevocable trust fund each month, amounts determined through the application of equitable factors, which together with interest accruals thereon, will, as nearly as may be, meet its liabilities for the payment of pensions or for the purchase of annuities, it shall concurrently charge this account and credit account 871, "Liability for provident funds," with amounts equal to those paid into the trust fund.

§ 24.560 *Insurance.* This account shall include the cost of premiums, except reinsurance premiums, for insuring the company against loss or damage, when such loss or damage would be chargeable to general expenses; also premiums on fidelity bonds of employees whose pay is chargeable to general expenses.

§ 24.561 *Stationery and printing.* This account shall include the cost of stationery, stationery supplies, printing, tabulatory cards, books and blank forms used in connection with general administrative functions of the company including contracts, leases, and all stationery and printing of the law department except cost of law books and cost of printing briefs, legal forms, testimony, and reports of that department. It

shall also include the rent and repair cost of labor-saving office machines used in connection with the general administrative functions of the company.

§ 24.562 *Repairs; general.* This account shall include the cost of repairs to general office buildings and other property used in connection with the general administrative functions of the company.

§ 24.565 *Depreciation; general.* This account shall include the amount of depreciation charges applicable to the accounting period relating to general administrative facilities.

§ 24.566 *Retirements; general.* This account shall include the cost of demolishing retired general administrative property and recovering the salvage therefrom. It shall also include the undepreciated service value of such property at the time of its retirement.

CROSS REFEFRENCE: See § 24.01–48 "Depreciation."

§ 24.569 *Other expenses.* This account shall include all expenses in connection with the general administrative functions of the company not provided for elsewhere.

List of Expenses

Annual audits or investigations.
Annual reports.
Association membership.
Bank charges for services.
Contributions for charitable, social or community welfare purposes.
Corporate and fiscal notices of general character.
Donations to fire departments.
Donations to YMCA and similar institutions.
Electing directors.
Exchange, domestic, on checks cashed or deposited.
Exchange on domestic drafts.
Fees and expenses paid directors.
Loss by burglary of funds, defalcations or fire when not recoverable from insurance.
Loss from acceptance of counterfeit money.
Notice of dividends declared.
Premiums, less cash surrender value of insurance, on lives of officers when company is the beneficiary.
Stockholders' meetings.

INCOME ACCOUNTS

SPECIAL INSTRUCTIONS

§ 24.01–61 *Income accounts defined.* Income accounts are those designed to show, as nearly as practicable, for each fiscal period, the total amount of money that a company becomes entitled to receive for services rendered, the returns accrued upon investments, the accrued costs paid or payable for the services rendered by it, the losses sustained by it, the amounts accrued for taxes, for use of moneys and for use of properties of others, and the appropriations made from income during the period. The net balance of income (or loss) shall be carried to profit and loss.

INCOME CREDITS

§ 24.601 *Operating revenues.* This account shall include the total revenues derived from operations as shown in the accounts provided for operating revenues.

§ 24.602 *Income from miscellaneous physical property.* This account shall include the total income derived from the operation of property, the cost of which is includible in balance-sheet account 805, "Miscellaneous physical property."

§ 24.610 *Divided income.* This account shall include dividends declared on stocks of other companies, the income from which is the property of the company, whether such stocks are owned by the company and held in its treasury, deposited in trust, or controlled through lease or otherwise. Dividends may be credited prior to actual collection only if their payment is reasonably assured by past experience, guaranty, anticipated provisions, or otherwise. (See Note (a) to account 827, "Interest and dividends receivable.")

(a) Dividends on stocks of other companies held in sinking or other special funds shall be credited to account 612, "Income from sinking and other reserve funds."

(b) This account shall not include credits for dividends on stocks issued or assumed by the company and owned by it, whether held in the treasury, in sinking or other reserve funds, or pledged as collateral.

§ 24.611 *Income from securities and accounts.* (a) This account shall include the interest on securities and debentures of other companies, the income from which is the property of the company, whether such securities are owned by it and held in its treasury or deposited in trust, or controlled through lease or otherwise. It shall include also interest on bank balances, certificates of deposit, open accounts and other analogous items. Interest shall not be credited before actual collection unless its payment is reasonably assured by past experience, guaranty, anticipated provision, or otherwise.

(b) There may be included in this account for each fiscal period the applicable amount requisite to extinguish, during the interval between the date of acquisition and the date of maturity, the discount or premium on funded securities owned, the income from which is includible in this account. Amounts thus credited or charged shall be concurrently charged or credited to the accounts in which the book cost of the securities is included. Any discount or premium remaining unextinguished upon the maturity and satisfaction of such securities shall be cleared to profit and loss.

(c) *Notes.* (1) Interest on securities of other companies, held in sinking or other reserve funds shall be included in account 612, "Income from sinking and other reserve funds."

(2) Discount on bills for material purchased shall be credited to the accounts to which the cost of the material is charged.

(3) This account shall not include interest on securities issued or assumed by the company and owned by it whether held in the treasury, in sinking or other funds, or pledged as collateral.

§ 24.612 *Income from sinking and other reserve funds.* (a) This account shall include the income accrued on cash, securities of other companies and other assets (not including securities issued or assumed by the company) held in sinking and other reserve funds.

(b) There may be included in this account for each fiscal period the applicable amount requisite to extinguish during the interval between the date of acquisition and the date of maturity the discount or premium on funded securities of other companies held in sinking or other reserve funds, the income from which is includible in this account. Amounts thus credited or charged shall be concurrently charged or credited to the accounts in which the book cost of the securities is included. Any discount or premium remaining unextinguished upon maturity of such securities shall be cleared to profit and loss.

§ 24.613 *Release of premium on funded debt.* This account shall include during each fiscal period such proportion of the premiums on outstanding funded debt as is applicable to that period. This proportion shall be determined in accordance with § 24.01–83—"Discount, expense, and premium on funded debt."

§ 24.614 *Miscellaneous income.* This account shall include all items not provided for elsewhere properly creditable to income during the fiscal period, as follows:

(a) Profits derived from conversion of money of a foreign country into United States money.

(b) Fees collected in connection with the exchange of coupon bonds for registered bonds.

(c) Contributions from other companies or individuals representing the whole or a part of the net deficit of the accounting company when, under the terms of agreements or contracts, no obligation for subsequent reimbursement is incurred.

(d) Amounts receivable under the terms of agreements or contracts whereby the surplus resulting from the operation by others of properties of other companies having a separate corporate existence is to be paid, in whole or in part, to the accounting company.

§ 24.617 *Delayed income credits.* This account shall include delayed credit items and adjustments for which no provision has previously been made relating to operating revenues, operating expenses, and income arising during the current year which are applicable to prior years and which are relatively so large that their inclusion in the appropriate accounts of the current year would seriously distort those accounts.

CROSS REFERENCE: See § 24.01–4 "Delayed items."

NOTE: All entries in this account shall be made in such detail as will indicate the operating revenue, operating expense, or income accounts to which they relate.

INCOME DEBITS

§ 24.625 *Operating expenses.* This account shall include the total expenses caused by operations, as shown in the accounts provided for operating expenses.

§ 24.626 *Tax accruals.* This account shall include accruals for taxes of all kinds (including Federal Income Taxes)

whether based upon the valuation of property, stocks and bonds, or other evidences of debt issued or outstanding; gross or net earnings, dividends declared, rolling stock, or other basis; also taxes for issuing and recording mortgages and trust deeds and for issuing bonds or other evidences of long-term debt.

(a) The taxes on leased property shall be included in this account by the company obligated to assume such expenses under the terms of the lease.

(b) Taxes on other than cars or protective service property, operations or privileges, shall be charged to account 630, "Miscellaneous tax accruals," when the amount is separable from the taxes chargeable to this account.

(c) Special assessments for street and other improvements, and special benefit taxes, such as water taxes and the like, shall be included in operating expense accounts or investment accounts, as may be appropriate.

(d) Returns from U. S. Treasury Tax Savings Notes and from tax warrants sold by states or other governmental bodies; also discount allowed for the prompt payment of taxes, shall be credited to account 611, "Income from securities and accounts."

(e) Interest and penalties on tax assessments shall be charged to account 635, "Interest on unfunded debt."

(f) Taxes on interest on company's long-term debt paid at the source under tax-free covenants shall be charged to account 631, "Miscellaneous income charges."

§ 24.627 *Rent for cars.* This account shall include amounts payable accrued as rent for cars held under lease, the property being owned by other companies and held under lease or other agreement by the terms of which exclusive use and control for operating purposes are secured. The entire amount of rent payable by the lessee in accordance with the agreement shall be included in this account, whether paid to the lessor in cash or disbursed by the lessee, on behalf of the lessor, as interest on funded debt, guaranteed dividends on stock, or otherwise.

(a) When taxes on leased cars are assumed by the lessee the accrual of such taxes shall be included in account 626, "Tax accruals."

(b) Payments for the exclusive use of cars maintained by the lessor and used by the accounting company (when considerable in amount) shall be divided into two portions: One, representing cost of maintenance, shall be charged to the appropriate maintenance accounts and the other, representing return on investment, shall be charged to this account.

(c) When specific charges against the lessee are made by the lessor for repairs of cars maintained by the latter, the amount of such charges shall be appropriately credited by the lessor to its repair accounts and charged by the lessee to the corresponding accounts.

§ 24.628 *Expenses of miscellaneous physical property.* This account shall include the total expenses (including depreciation, rent, and insurance) of maintaining and operating miscellaneous physical property the cost of which is includible in balance-sheet account 805, "Miscellaneous physical property."

§ 24.629 *Taxes on miscellaneous physical property.* This account shall include accruals of taxes paid or payable upon miscellaneous physical property, the cost of which is includible in account 805, "Miscellaneous physical property."

§ 24.630 *Miscellaneous tax accruals.* This account shall include all accruals for taxes not provided for elsewhere, such as taxes on securities owned and taxes on income from securities owned.

NOTE: When the proper separation of any particular tax is not ascertainable the entire amount shall be included in account 626, "Tax accruals."

§ 24.631 *Miscellaneous income charges.* This account shall include items not provided for elsewhere properly chargeable to income for a fiscal period.

Items. Losses due to conversion of money of a foreign country into United States money.

Taxes on interest on company's long-term debt paid at the source under tax-free covenants.

Trustees' commissions and fees for paying out bond interest on coupons and expenses including registrars' fees connected with such payments.

Amounts payable under the terms of agreements or contracts whereby the deficit resulting from the operation by others of properties of other companies having a separate corporate existence is to be paid, in whole or in part, by the accounting company.

Payments to other companies or individuals representing the whole or part of the net income of the accounting company when under terms of agremeents or contracts, no obligation for subsequent repayment is incurred.

§ 24.632 *Delayed income debits.* This account shall include delayed debit items and adjustments for which no provision has previously been made relating to operating revenues, operating expenses, and income arising during the current year which are applicable to prior years and which are relatively so large that their inclusion in the appropriate accounts of the current year would seriously distort those accounts.

CROSS REFERENCE: See § 24.01-4 "Delayed items."

NOTE: All entries in this account shall be made in such detail as will indicate the operating revenue, operating expense, or income accounts to which they relate.

§ 24.634 *Interest on funded debt.* This account shall include the current accruals of interest on all classes of debt, the principal of which is includible in account 850, "Funded debt," account 851, "Debt in default," account 852, "Receivers' and trustees' securities," and account 854, "Amounts payable to affiliated companies"; also interest accruals on debenture stock.

NOTE: This account shall not include charges for interest on funded debt obligations issued or assumed by the accounting company and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or in sinking or other reserve funds. (See account 637, "Income applied to sinking and other reserve funds.")

§ 24.635 *Interest on unfunded debt.* This account shall include all accrued interest payable, except that chargeable to account 634, "Interest on funded debt." Discount and expense on short-term notes maturing one year or less from date of issue, if considerable in amount, shall be distributed by equal monthly charges to this account throughout the term of the notes; if inconsiderable in amount, it shall be charged to this account when incurred.

§ 24.636 *Amortization of discount on funded debt.* This account shall be charged during each fiscal period with the proportion of the discount and expense on funded debt obligations applicable to that period. This proportion shall be determined according to a rule the uniform application of which through the interval between the date of sale and the date of maturity will extinguish the discount and expense on funded debt. The charge to this account for any period must not be either greater or less than the proportion of the balance remaining unamortized applicable to that period so long as any portion of the discount and expense remains unextinguished, except that if the total discount and expense applicable to any particular issue of securities does not exceed $25,000, the entire amount may be charged to this account at time of issue.

CROSS REFERENCE: See § 24.01-83 "Discount, expense, and premium on funded debt."

§ 24.637 *Income applied to sinking and other reserve funds.* This account shall include amounts applied to sinking and other reserve funds from income, whether definite appropriations from income; allotments or payments of definite amounts from income under the terms of mortgages, deeds of trust, or other contracts that provide for such allotments or payments; or accretions representing interest or other returns accrued on the contents of such funds and required to be retained therein.

NOTE: The amounts charged to this account shall be concurrently credited to account 896, "Appropriated earned surplus."

§ 24.638 *Dividend appropriations of income.* (a) This account shall include amounts definitely declared payable from the income of the fiscal period, as dividends on actually outstanding capital stock issued or assumed by the accounting company, other than debenture stock. If a dividend is not payable in cash the consideration shall be described in the entry with sufficient particularity to identify it.

(b) This account shall be subdivided so as to show separately the dividends on the various subclasses of capital stock.

(c) *Notes.* (1) Interest accrued on debenture stock shall be charged to account 634, "Interest on funded debt."

(2) This account shall not include charges for dividends on capital stock issued or assumed by the accounting company and owned by it, whether pledged as collateral, or held in its treasury, in special deposits, or in sinking or other reserve funds. (See account 637, "Income applied to sinking and other reserve funds.")

(3) This account shall be used when the appropriations are definitely made chargeable to income. Similar appro-

priations made from surplus shall be charged to profit and loss account 713, "Dividend appropriations of surplus."

§ 24.639 *Income appropriated for investment in physical property.* (a) This account shall include amounts definitely appropriated from income to be applied for the construction or acquisition of additions to and betterments of property the cost of which is chargeable to cars or protective service property accounts or applied for the construction or acquisition of property the cost of which is includible in balance-sheet account 805, "Miscellaneous physical property."

(b) Records of the accounting company shall be so kept that the appropriations charged to this account for any fiscal period may be distinguished as relating to amounts expended during preceding fiscal periods, amounts expended during the current fiscal period, and amounts held in reserve.

(c) The records shall also show separately appropriations for investment in cars or protective service property and for investment in miscellaneous physical property.

(d) *Notes.* (1) Similar appropriations made from surplus shall be charged to profit and loss account 714, "Surplus appropriated for investment in physical property."

(2) The amounts charged to this account shall be concurrently credited to account 896, "Appropriated earned surplus."

§ 24.640 *Stock discount extinguished through income.* This account shall include amounts definitely appropriated from income to reduce or extinguish the amount of discount on capital stock issued by the accounting company. (See balance-sheet account 888, "Discount on capital stock.")

§ 24.641 *Miscellaneous appropriations of income.* Except as provided in account 637, "Income applied to sinking and other reserve funds," this account shall include amounts definitely appropriated from income for the discharge of the principal (less the discount, if any, suffered at the time of sale) of any indebtedness incurred in the acquisition or improvement of property carried in cars or protective service property accounts; also amounts similarly appropriated to provide a reserve for other purposes not provided for elsewhere.

(a) Similar appropriations made from surplus shall be charged to profit and loss account 718, "Miscellaneous appropriations of surplus."

(b) The amounts charged to this account shall be concurrently credited to account 896, "Appropriated earned surplus."

PROFIT AND LOSS

SPECIAL INSTRUCTIONS

§ 24.01–71 *Profit and loss accounts.* This group of accounts is designed to show the changes in earned surplus during each fiscal period by any disposition of earned surplus made at the option of the company; and by miscellaneous gains and losses not accounted for elsewhere.

PROFIT AND LOSS CREDITS

§ 24.701 *Credit balance transferred from income.* This account shall show the net credit balance brought forward from income account for the calendar year.

§ 24.704 *Miscellaneous credits.* This account shall include amounts, not provided for elsewhere, transferred from other accounts to profit and loss, and amounts representing increases of resources not properly assignable to the income accounts. Among the items which shall be included in this account area:

Adjustments or cancelations of balance-sheet accounts, relating to profit and loss accounts,

Cancelation of balance-sheet accounts representing unclaimed wages and vouchered accounts written off because of company's inability to locate the creditor,

Profit from the sale of land carried in account 801, "Cars or protective service property,"

Profit derived from the sale of investment securities,

Profit derived from the sale of property carried in account 805, "Miscellaneous physical property."

Credits resulting from adjustments required to bring to par funded debt securities issued or assumed by the accounting company and reacquired at a cost less than the par value.

Unreleased premiums on funded debt reacquired before maturity,

CROSS REFERENCE: See § 24.01–83 "Discount, expense, and premium on funded debt."

Collection of old accounts previously written off to profit and loss.

PROFITS AND LOSS DEBITS

§24.710 *Debit balance transferred from income.* This account shall show the net debit balance brought forward from income account for the calendar year.

§ 24.713 *Dividend appropriations of surplus.* (a) This account shall include amounts definitely declared payable from earned surplus as dividends on actually outstanding capital stock issued or assumed by the accounting company, other than debenture stock. If a dividend is not payable in cash, the consideration shall be described in the entry with sufficient particularity to identify it.

(b) This account shall be subdivided so as to show separately the dividends on the various subclasses of capital stock.

(c) *Notes.* (1) Interest accrued on debenture stock shall be charged to income account 634, "Interest on funded debt."

(2) This account shall not include charges for dividends on capital stock issued or assumed by the accounting company and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or in sinking or other reserve funds.

(3) Similar appropriations made from income shall be charged to income account 638, "Dividend appropriations of income."

§ 24.714 *Surplus appropriated for investment in physical property.* This account shall include amounts definitely appropriated from earned surplus, to be applied for the construction or acquisition of additions to and betterments of property the cost of which is includible in cars or protective service property accounts or applied for the construction, acquisition, or improvement of property the cost of which is includible in balance-sheet account 805, "Miscellaneous physical property."

Records of the accounting company shall be so kept that the appropriations charged to this account for any fiscal period may be distinguished as relating to amounts expended during preceding fiscal periods, amounts expended during the current fiscal period, and amounts held in reserve.

(a) Similar appropriations made from income shall be charged to income account 639, "Income appropriated for investment in physical property."

(b) The amounts charged to this account shall be concurrently credited to account 896, "Appropriated earned surplus."

§ 24.718 *Miscellaneous appropriations of surplus.* This account shall include amounts definitely appropriated from earned surplus to provide a reserve for the discharge of the principal (less the discount, if any, suffered at the time of sale) of any indebtedness incurred in the acquisition or improvement of property carried in cars or protective service property accounts; also other amounts appropriated from surplus and not provided for elsewhere.

(a) Similar appropriations from income shall be charged to income account 641, "Miscellaneous appropriations of income."

(b) The amounts charged to this account shall be concurrently credited to account 896, "Appropriated earned surplus."

§ 24.721 *Miscellaneous debits.* This account shall include amounts, not provided for elsewhere, chargeable to profit and loss from other accounts, amounts written off in consequence of adjustments, and payments not properly chargeable to the income accounts. Among the items which shall be charged to this account are:

Adjustments or cancelations of balance-sheet accounts, relating to profit and loss accounts,

Losses resulting from the sale of investment securities,

Losses resulting from the sale, destruction, or abandonment of property carried in account 805, "Miscellaneous physical property,"

Debits resulting from adjustments required to bring to par funded debt securities issued or assumed by the accounting company and reacquired at a cost exceeding the par value,

Adjustments of the difference between the ledger value of land credited to account 801, "Cars or protective service property," and the estimated value thereof charged to account 805, "Miscellaneous physical property,"

Loss from the sale of land carried in account 801, "Cars or protective service property,"

Discount on capital stock remaining unextinguished at the time of its reacquisition, resale, or retirement, if in excess of the pro rata portion includible in unearned surplus.

Unextinguished discounts on funded debt reacquired before maturity.

Payments of old accounts previously written off to profit and loss.

Penalties and fines for violation of the Interstate Commerce Act or other Federal laws, when not specifically provided for elsewhere.

BALANCE SHEET

SPECIAL INSTRUCTIONS

§ 24.01–81 *Balance sheet accounts.* Balance sheet accounts are intended to disclose the financial condition of the company as of a given date by showing the assets, liabilities, capital stock, and related items and the surplus or deficit of the company.

§ 24.01–82 *Discount, premium, and assessment on capital stock.* (a) Separate ledger accounts shall be provided for each subclass of capital stock issued or assumed by the accounting company to cover discount suffered and premium realized at the sale or resale of capital stock. General levies or assessments against stockholders shall be credited to the appropriate ledger accounts for the subclass of capital stock against which the levy or assessment is made.

(b) The total of net debit balances in these ledger accounts shall be included in account 888, "Discount on capital stock," and the total of net credit balances in account 887, "Premiums and assessments on capital stock."

(c) Discount on each subclass of capital stock may be offset or reduced by charges to account 887, "Premiums and assessments on capital stock," to the extent that net gains from premiums or assessments have been included therein or to the extent that net gains from reacquisition and resale or retirement of capital stock applicable to subclass have been included in subaccount 895 (a), "Paid-in surplus." Any remaining discount may be amortized by charges to account 640, "Stock discount extinguished through income"; or discount may be retained and carried in account 888, "Discount on capital stock," until the stock to which the discount applies is retired.

(d) In case the accounting company is permitted and elects to distribute all or any part of the net balance of paid-in surplus to its stockholders, the amount thus distributed shall be charged to subaccount 895 (a), "Paid-in surplus."

(e) When an issue of capital stock, or any part thereof, is reacquired either by purchase or through donations by shareholders, and is not canceled, it shall be charged at its par value; or if stock without par value at the proportionate amount at which the particular class of stock is included in account 885, "Capital stock," account 810, "Sinking funds"; 811, "Deposits in lieu of mortgaged property sold"; 822, "Special deposits"; 832, "Insurance and other funds"; 845, "Securities issued or assumed—Unpledged"; or 846, "Securities issued or assumed—Pledged," as may be appropriate.

(f) The difference between the amount at which such reacquired stock was recorded in account 885, "Capital stock," and the amount paid by the accounting company for such stock, including any premium or discount applicable to such subclass carried in account 887, "Premiums and assessments on capital stock," or in account 888, "Discount on capital stock," and the commissions and expense in connection with its reacquisition shall be included in subaccount 895 (a), "Paid-in surplus"; *Provided, however,* That the excess of a debit over the amount of accumulated net gains applicable to such subclass included in paid-in surplus shall be charged to account 721, "Miscellaneous debits."

(g) When reacquired capital stock is resold the difference between the amount at which such stock is included in a particular asset account and the net sale price realized when resold shall be included in subaccount 895 (a), "Paid-in surplus"; *Provided, however,* That the excess of a debit over the amount of accumulated net gains applicable to each subclass of capital stock resold included in paid-in surplus shall be charged to account 721, "Miscellaneous debits."

(h) In no case shall discount on capital stock be charged to or included in any account as a part of the cost of acquiring property or as a part of the cost of operation.

§ 24.01–83 *Discount, expense, and premium on funded debt.* (a) Ledger accounts shall be provided to cover the discounts, expense, and premiums at the sale or resale of each subclass of funded debt and of receivers' and trustees' securities issued for the benefit of or assumed by the company. For explanation of subclass see account 850, "Funded debt."

(b) The total of the net debit balances remaining in these several accounts should be included in account 837, "Discount on funded debt," and the total of the net credit balances in account 874, "Premium on funded debt."

(c) Each fiscal period there shall be charged to income account 636, "Amortization of discount on funded debt," a proportion (based upon the ratio of such fiscal period to the remaining life of the respective securities reckoned from the beginning of the period to the date of maturity of the debt to which the charges relate) of each of the debit balances in these accounts, and correspondingly there shall be credited to income account 613, "Release of premium on funded debt," a similar proportion of each of the credit balances in these accounts. When the total discount and expense applicable to any particular issue of securities does not exceed $25,000, the entire amount may be charged to account 636, "Amortization of discount on funded debt," at time of issue.

(d) When any funded debt which has been actually issued to bona fide holders for value is reacquired by the accounting company, that proportion of the balance remaining in the accounts containing discount, expense, and premium on funded debt for the subclass of the security reacquired applicable to the portion reacquired shall be credited or charged thereto, as may be appropriate, and concurrently charged or credited to profit and loss. Such proportion shall be based upon the ratio of the par value of the security reacquired to the par value of all the securities of the subclass actually outstanding immediately before such reacquirement.

(e) In case, however, the premium realized or discount suffered at the prior sale of the securities reacquired has been included (in excess of the amount authorized under § 24.01–14 (i) of the special instructions for cars or protective service property account) in an asset account other than the premiums and discounts account, such asset account shall be concurrently adjusted through profit and loss to the extent of such excess of the premium or discount previously included therein with respect to the securities reacquired.

(f) Except as provided under § 24.01–14 (i) of the special instructions for cars or protective service property accounts no discount and expense on funded debt shall be charged to or included in any account as a part of the cost of acquiring any property, tangible or intangible, or as a part of the cost of operation.

§ 24.01–84 *Contingent assets and liabilities.* Contingent assets and liabilities shall not be included in the body of the balance-sheet statement, but shall be shown in detail in a supplementary statement accompanying the balance-sheet statement. Contingent assets are those without value to the accounting company until the fulfillment of conditions, regarded as uncertain. Contingent liabilities include items which may, under certain conditions, become obligations of the company, but are neither direct nor assumed obligations on the date of the balance sheet.

§ 24.01–85 *Book value of securities owned.* (a) The investment in securities other than those issued or assumed by the accounting company shall be recorded in these accounts at the money value, at the time of acquisition, of the consideration given therefor by the accounting company, but excluding amounts paid for accrued interest and accrued dividends. The accounting company shall write down the book cost of any securities to the extent of impairment in their value. Fluctuations in market value shall not be recorded, however. Securities shall be written down to reflect impairment in value or written off entirely if there be no reasonable prospect of realizing any value whatever therefrom. Adjustments in the ledger values of securities shall not be delayed beyond the year in which a loss is claimed for income tax purposes. In accordance with paragraph (c) of this section companies may create reserves from surplus to cover such reductions in value. Under no circumstances shall the investment in the securities be stated in these accounts at an amount in excess of their cost to the accounting company.

(b) The amount of the adjustment shall be charged to account 721, "Miscellaneous debits."

(c) Companies may create reserves from surplus to provide for impairment

in the value of securities owned and recorded in accounts 814, "Investments in affiliated companies," and 815, "Other investments," by charges to account 721, "Miscellaneous debits." See account 816, "Reserve for adjustment of investment in securities."

§ 24.01–86 *Income from sinking fund assets.* Accrued interest on uninvested sinking fund cash on deposit in banks or trust companies, and accrued interest and other income arising from stocks, bonds, or other assets held in sinking and reserve funds shall be credited to account 612, "Income from sinking and other reserve funds," and when required by the mortgage or other provision to be held in the funds shall be charged, according to the character of the funds, to account 810, "Sinking funds," or to account 832, "Insurance and other funds," and concurrently, if a reserve is required, an equal amount shall be charged to income account 637, "Income applied to sinking and other reserve funds," and credited to account 896, "Appropriated earned surplus."

§ 24.01–87 *Current assets.* In the group of accounts designated as current assets (accounts 820 to 830, inclusive) shall be included cash, those assets which are readily convertible into cash or are held for current use in operations or construction, current claims against others and amounts accruing to the company which are subject to current settlement. There shall not be included in this group of accounts any item the collection of which is not reasonably assured by the known financial condition of the debtor. Items of current character but of doubtful value previously credited to operating revenue, operating expense or income accounts shall be written down or written off by charging those accounts. If there has been any impairment in value, such items shall be included in account 833, "Other deferred assets" at an amount not in excess of a reasonable estimate of future value. If it is desired to retain a record of assets written off they shall be recorded at a nominal value in account 833, "Other deferred assets."

§ 24.01–88 *Joint liabilities.* The accounting company shall state as a liability in its balance sheet the difference between the total par value of securities jointly or severally issued by it and others and the portion of such liability which, under the joint arrangement, it is expected, will be liquidated by the other party or parties to the joint arrangement. The amount of the jointly or severally issued securities which it is expected will be liquidated by the other party or parties shall be shown as a contingent liability in accordance with § 24.01–84 of these instructions.

§ 24.01–89 *Surplus.* Records shall be maintained in such manner as to show two major divisions of surplus:

Unearned surplus.
Earned surplus.

Unearned surplus and earned surplus shall be segregated and clearly differentiated.

After the date this system of accounts becomes effective, the company shall maintain account 895, "Unearned surplus"; account 896, "Appropriated earned surplus"; and account 897, "Earned surplus." At that date the surplus shall be segregated so far as practicable, into "Unearned surplus," "Appropriated earned surplus," and "Earned surplus," and any unsegregated balance shall be included in a subaccount under account 897, "Earned surplus," and carried therein until the balance has been entirely cleared by charges applicable to the period prior to the effective date of this classification.

DEBITS

§ 24.801 *Cars or protective service property.* (a) This account (except as provided for in accounts 803, "Acquisition adjustment," and 804, "Donations and grants,") shall include the cost to the company of construction or acquisition of all property used or held for use in connection with furnishing cars or protective service against heat or cold to or on behalf of any carrier by railroad or express company. When property is retired from service this account shall be credited with the book cost of the property retired.

(b) The company's records shall be kept so as to show the debits and credits to this account classified in accordance with property accounts 1 to 50, inclusive.

(c) *Notes.* (1) This account shall not include any items representing titles to securities.

(2) Held for use, as referred to above, implies the ability to substantiate by plans or policy its characterization of the probable future use which is to be made of the property within a reasonable period of time.

§ 24.802 *Improvements on leased property.* (a) This account, except as provided for in accounts 803, "Acquisition adjustment," and 804, "Donations and grants," shall include the cost of improvements made by the lessee to property which is held under lease from others or through control of the company owning the property, where such improvements are used by the lessee in cars or protective service, and the lessee is not to be reimbursed by the lessor for such improvements.

(b) When the cost of improvements made by the lessee is to be refunded by the lessor periodically during the term of the lease agreement or at the termination thereof: *And provided further*, That in the meantime the lessor company does not include the cost of such improvements in its property accounts, the lessee shall include the cost thereof in this account.

(c) When leased property is retired from service this account shall be credited with the book cost of any improvements thereto the cost of which has been included in this account, and also when depreciation accruals are credited to a reserve by the lessee with the book cost of any property retired that has been used in furnishing cars or protective service and was held under lease from or through control of the company owning the property.

(d) The records shall be kept in such manner as to show the debits and credits to this account in accordance with the primary property accounts.

(e) *Notes.* (1) This account shall not include any items representing titles to securities.

(2) When the lessor company includes in its property accounts, the cost of improvements made by the lessee to property leased by it from the lessor and settlement is not made at the time for the cost thereof, the lessee, pending settlement with the lessor, shall include the cost thereof in account 814, "Investments in affiliated companies," or 815, "Other investments," as may be appropriate.

§ 24.803 *Acquisition adjustment.* (a) This account shall be charged with the cost of the property of another company acquired after the effective date of this system of accounts, as an operating entity or system by purchase, merger, consolidation, reorganization, receivership sale or transfer, or otherwise. If the consideration or a part thereof given for the property acquired consists of securities issued by the accounting company, the cash value thereof for the purpose of determining the cost to be charged to this account shall be the sum of the par value of securities having par values and the assigned values of no par securities. Where the consideration given for the property acquired is other than cash or securities issued by the accounting company, such consideration shall be valued on a current cash basis.

(b) The accounting for assets acquired and liabilities assumed shall then be as follows:

(1) Assets acquired, except property includible in accounts 801, "Cars or protective service property," 802, "Improvements on leased property," or 805, "Miscellaneous physical property," and liabilities assumed shall be recorded in the appropriate balance sheet accounts.

(2) The cost to the predecessor company (estimated if not known) shall be included in accounts 801, "Cars or protective service property," 802, "Improvements on leased property," and 805, "Miscellaneous physical property," as may be appropriate.

(3) Balances in accounts 878, "Accrued amortization of defense projects," 879, "Accrued depreciation—Cars or protective service property," and 880, "Accrued depreciation—Miscellaneous physical property," carried on the books of the predecessor company or companies at date of acquisition shall be recorded in those accounts on the books of the accounting company.

(4) This account shall concurrently be debited or credited, as appropriate, to offset asset and liability items recorded in accordance with the foregoing instructions.

(5) To the extent that a credit balance is available in this account, retirement of property in existence at the date of acquisition which is not replaced may be charged hereto if the loss is not assignable to operations subsequent to date of acquisition.

§ 24.804 *Donations and grants.* This account shall be credited with grants

obtained from governmental agencies, except in connection with public improvement projects and with donations from individuals and others in connection with the construction or acquisition of property the cost of which is chargeable to accounts 801, "Cars or protective service property," and 802, "Improvements on leased property."

§ 24.805 *Miscellaneous physical property.* This account shall include the accounting company's investment in physical property other than property assignable to accounts 801 and 802.

§ 24.810 *Sinking funds.* This account shall include the amount of cash, the book cost of live securities of other companies, and other assets which are held by trustees of sinking and other funds for the purpose of redeeming outstanding obligations, including such assets so held in the hands of the accounting company's treasurer when the assets are segregated in a distinct fund; also amounts deposited with such trustees on account of mortgaged property sold the proceeds of which are to be held for the redemption of securities, and the par value or with respect to no par stock, the amounts recorded in account 885, "Capital stock," relating thereto, of live securities issued or assumed by the accounting company and held in such funds. A separate account shall be kept for each fund. The title of each account shall designate the obligation in support of which the fund is created.

§ 24.811 *Deposits in lieu of mortgaged property sold.* This account shall include funds deposited with trustees, to be held until mortgaged property sold is replaced.

§ 24.812 *Special reserve funds.* This account shall include the book cost of assets held by trustees, or by the accounting company's treasurer when segregated in a distinct fund or funds, which have been set aside in accordance with governmental requirements or the requirements of mortgages to be used for specified purposes for which definite allotments expendable within one year cannot be made as of the date of the balance sheet. A separate account shall be kept for each fund. This account shall be credited with expenditures made directly from the funds for the purposes thereof, and with amounts transferred in accordance with requirements to sinking funds includible in account 810, "Sinking funds." It shall also be credited with amounts expendable within one year which can be definitely allotted in advance of expenditure to specified purposes and which thereby become transferable from this account to other asset accounts, such as allotments transferable to account 822, "Special deposits," for current use in payment of interest or other current liabilities.

§ 24.813 *Maintenance funds.* This account shall be charged with the amounts of cash on special deposit and the cost of United States Treasury Securities that have been set aside to be held by the accounting company's treasurer until disbursed in settlement of charges incurred for deferred maintenance due to priorities of material and supplies or shortage of labor; also charges incurred for major repairs to rolling stock that are usually made at intervals of several years. It shall be credited with withdrawals therefrom as disbursements are made for the purposes for which the funds were set aside.

§ 24.814 *Investments in affiliated companies.* (a) This account shall include the book cost of the accounting company's investment in securities issued or assumed by affiliated companies other than securities held in special deposits or special funds, and also investment advances made to affiliated companies.

CROSS REFERENCE: See § 24.01–85 "Book value of securities owned."

(b) This account shall be maintained in such manner as to show each of the following classes of investment in each affiliated company:

(1) Stocks.
(2) Bonds.
(3) Other secured obligations.
(4) Unsecured notes.
(5) Investment advances.

(c) A complete record of securities pledged shall be maintained so that the book cost of securities pledged and unpledged may be shown separately in the annual report to the Commission.

(d) *Notes.* (1) Accounts with affiliated companies which are subject to current settlement, if their collection is reasonably assured, shall be classed as current assets, but if settlement is deferred beyond one year such items shall be transferred to account 833, "Other deferred assets."

(2) The value of securities borrowed by the accounting company and pledged shall not be included in this account.

(3) The value of securities pledged for purposes other than that of security for funded debt or short-term loans shall be included in accounts 810, "Sinking funds," 811, "Deposits in lieu of mortgaged property sold," 822, "Special deposits," or 832, "Insurance and other funds," as may be appropriate.

§ 24.815 *Other investments.* (a) This account shall include the book cost of the accounting company's investment in securities issued or assumed by nonaffiliated companies other than securities held in special deposits or special funds; also investment advances made to nonaffiliated companies and to individuals.

CROSS REFERENCE: See § 24.01–85, "Book value of securities owned."

(b) This account shall be maintained in such manner as to show each of the following classes of investment in each nonaffiliated company:

(1) Stocks.
(2) Bonds.
(3) Other secured obligations.
(4) Unsecured notes.
(5) Investment advances.

(c) A complete record of securities pledged shall be maintained so that the book cost of securities pledged and unpledged may be shown separately in the annual report to the Commission.

(d) *Notes.* (1) Accounts with nonaffiliated companies which are subject to current settlement, if their collection is reasonably assured, shall be classed as current assets, but if settlement is deferred beyond one year such items shall be transferred to account 833, "Other deferred assets."

(2) The term nonaffiliated companies includes all companies other than those defined as affiliated in § 24.01–8 (e) of general instructions.

(3) The value of securities borrowed by the accounting company and pledged shall not be included in this account.

(4) The value of securities pledged for purposes other than that of security for funded debt or short-term loans shall be included in account 810, "Sinking funds," 811, "Deposits in lieu of mortgaged property sold," 822, "Special deposits," or 832, "Insurance and other funds," as may be appropriate.

§ 24.816 *Reserve for adjustment of investment in securities.* (a) This account shall include the total of the balances in such reserves as are maintained by the accounting company for the purpose of providing for reductions in the value of securities owned and recorded in accounts 814, "Investments in affiliated companies," or 815, "Other investments." Corresponding charges shall be made to account 721, "Miscellaneous debits."

CROSS REFERENCE: See § 24.01–85 (c) "Book value of securities owned."

(b) If reserves are maintained in provision for anticipated losses in specific securities, when related assets are written down or written off or are sold or otherwise disposed of at a loss the reduction in the book cost or the losses sustained shall be charged to this account to the extent of the credit balance in the account applicable to the particular securities involved and the remainder, if any, shall be charged to account 721, "Miscellaneous debits." In case a general reserve for losses in unspecified securities is maintained, all such losses resulting from write-downs, write-offs, etc., shall be charged to this account to the extent of the total credit balance therein, and the remainder, if any, to account 721, "Miscellaneous debits."

§ 24.820 *Cash.* This account shall include money, checks, sight drafts, and sight bills of exchange in the hands of the accounting company's financial officers and agents. It shall include also, deposits with banks and trust companies available for use on demand, and savings accounts subject to the usual clause reserving the right to defer payment for a specified number of days.

CROSS REFERENCE: See § 24.01–87 "Current assets."

§ 24.821 *Temporary cash investments.* This account shall include the cost of securities and other collectible obligations acquired for the purpose of temporarily investing cash, such as United States Treasury certificates, marketable securities, time drafts receivable, demand loans, time loans, time deposits with banks and trust companies, and other similar investments of a temporary character.

§ 24.822 *Special deposits.* This account shall include funds specially

deposited (other than in sinking funds) for the payment of dividends, interest and other debts; also money and securities deposited to insure the performance of contracts to be performed within one year from the date of the balance sheet; and other deposits of a special nature not provided for elsewhere.

CROSS REFERENCE: See § 24.01–87 "Current assets."

NOTE: Securities pledged as collateral for the accounting company's funded debt or short-term loans shall be included in accordance with the character of the securities pledged in accounts 814, 815 or 846.

§ 24.823 *Loans and bills receivable.* This account shall include the book value of all collectible obligations in the form of demand or time loans and bills receivable, or other similar evidences (except interest coupons) of money receivable within a time not exceeding one year from date of issue.

CROSS REFERENCE: See § 24.01–87 "Current assets."

(a) Obligations held as investments which mature more than one year after date of issue shall be included in accounts 814, "Investments in affiliated companies," or 815, "Other investments," as may be appropriate.

(b) Loans and bills receivable acquired for the purpose of temporarily investing cash shall be included in account 821, "Temporary cash investments."

§ 24.824 *Miscellaneous accounts receivable.* This account shall include amounts due in audited accounts considered good, miscellaneous bills against other companies, corporations, firms, and individuals, and other similar items.

CROSS REFERENCE: See § 24.01–87 "Current assets."

NOTE: The amount to be entered in this account is not the net balance between this account and account 862, "Miscellaneous accounts payable."

§ 24.825 *Mileage accounts receivable.* This account shall include amounts receivable (other than covered by bills collectible) for mileage, per diem, or rental earned from the use of cars owned, leased, or otherwise under the control of the company while in service on railroad companies' lines.

§ 24.826 *Material and supplies.* This account shall include the balances representing the cost, less depreciation, if any, of all unapplied material, articles in process of manufacture by the accounting company, fuel, stationery, and other supplies. In determining the cost of material and supplies suitable allowance shall be made for and discounts allowed in the purchase thereof.

NOTE: An inventory of material and supplies shall be taken during each calendar year and the necessary adjustments to bring this account into harmony with the actual inventory balances shall be made in the accounts of the year in which the inventories are taken. In effecting this adjustment determined differences in accounting for important classes of material shall be equitably assigned among the accounts to which the classes of material are ordinarily chargeable. Other differences shall be equitably apportioned among the primary accounts to which material has been charged since the last inventory.

§ 24.827 *Interest and dividends receivable.* This account shall include the amount of interest accrued to the date of the balance sheet on bonds owned and on loans made, the amount of dividends declared on stocks owned, and dividends accrued on such stocks when contracts require that the dividends be paid at stated times.

CROSS REFERENCE: See § 24.01–87 "Current assets."

(a) No amount representing interest or dividends receivable shall be included in this account unless its payment is reasonably assured by past experience, anticipated provision, or otherwise.

(b) No dividends or other returns on securities issued or assumed by the accounting company shall be included in this account.

(c) If settlement of amounts included in this account is not made when due either in cash or with other tangible assets of equal money value, such amounts shall be credited to this account and charged to the income account originally credited (subject to general instruction, § 24.01–4 "Delayed items"). If notes are taken in settlement of amounts included in this account, the face value thereof shall be charged to account 823, "Loans and bills receivable," or account 833, "Other deferred assets," as may be appropriate,

CROSS REFERENCE: See § 24.01–87 "Current assets."

but such amounts shall not be credited to income (or if previously credited to income shall be cleared therefrom as provided in the first sentence hereof), unless inclusion therein is justified by the current asset position of the obligor. If such notes are of doubtful value, or long-term notes are taken, they shall be charged to account 833, "Other deferred assets," at their true value and credited to account 884, "Other unadjusted credits," and income shall not be credited until payment is received, and then only with the amount collected.

§ 24.830 *Other current assets.* This account shall include items of current assets not covered by accounts 820 to 827, inclusive.

It shall include asset items that have not yet reached the stage of audited accounts and become classable in account 824, and yet have been advanced beyond the stage of accounts properly classable in account 833.

CROSS REFERENCE: See § 24.01–87 "Current assets."

§ 24.831 *Working fund advances.* This account shall include amounts advanced to officers, agents, and employees, as working funds from which certain expenditures are to be made and accounted for.

§ 24.832 *Insurance and other funds.* This account shall include the amount of cash and the book cost of securities of other companies and other assets which are in the hands of trustees or managers of insurance, employees' pension, savings, relief, hospital, and other funds which have been raised and specifically set aside or invested for specific purposes not provided for elsewhere; also the par value or with respect to no par stock, the amounts recorded in account 885, "Capital stock," relating thereto, of securities issued or assumed by the accounting company and held in such funds. A separate account shall be kept for each fund.

(a) Sinking funds and special deposits for the retirement of obligations are provided for in accounts 810 and 822, respectively.

(b) This account shall not include funds held by the accounting company solely as trustee and in which it has no beneficial interest.

§ 24.833 *Other deferred assets.* This account shall include the estimated value of salvage recoverable from property retired when the recovery of the salvage is deferred for any reason; items of a current character but of doubtful value; and all other deferred items not covered by accounts 831 or 832.

CROSS REFERENCE: See § 24.01–87 "Current assets."

§ 24.835 *Rents and insurance premiums paid in advance.* This account shall include the balances representing prepaid rents chargeable to the appropriate rent accounts as the term is consumed for which the rents are paid; also insurance premiums paid in advance, which are to be apportioned and charged, as they accrue, to appropriate accounts.

§ 24.837 *Discount on funded debt.* This account shall include the total of the net debit balances in the discount, expense, and premium accounts for the several subclasses of funded debt.

CROSS REFERENCE: See § 24.01–83 "Discount, expense, and premium on funded debt."

§ 24.839 *Other unadjusted debits.* This account shall include the amount of debit balances in suspense accounts that cannot be cleared and disposed of until additional information is received; interest paid in advance; debit balances in clearing accounts, such as "Shop expenses," and "Store expenses"; items credited to operating revenues or operating expenses on an estimated basis in accordance with general instruction § 24.01–3 "Unaudited items"; unextinguished discount on short-term notes; unadjusted debit items not provided for elsewhere, and other similar items.

§ 24.845 *Securities issued or assumed; unpledged.* (a) This account shall include the par value, or with respect to no par stock, the amounts recorded in account 885, "Capital stock," relating thereto, of securities issued or assumed by the accounting company that are held unpledged in the company's treasury or by its agents or trustees, except those held by trustees of sinking or other similar funds.

This account shall be divided into: (1) Stocks, and (2) Bonds and other evidences of debt, each of which divisions shall be further subdivided between: (i) amounts nominally but not actually issued, and (ii) amounts nominally outstanding.

(b) *Notes.* (1) The term securities, as used in this account, includes all authorized certificates of stock and evidences of indebtedness which have been signed, sealed, and, when required, certified by the registrar or by the trustees under the mortgage or contract, and are not short-term securities. By short-term securities are meant those which are payable on demand or which mature not more than one year from date of issue.

(2) This account shall not include securities that are merely guaranteed.

(3) This account shall not include any securities held in sinking and other reserve funds.

§ 24.846 *Securities issued or assumed; pledged.* (a) This account shall include the par value, or with respect to no par stock, the amounts recorded in account 885, "Capital stock," relating thereto, of securities issued or assumed by the accounting company that have been pledged as collateral security for any of its funded debt or short-term loans.

This account shall be divided into: (1) Stocks, and (2) Bonds and other evidences of debt, each of which divisions shall be further subdivided between: (i) amounts nominally but not actually issued, and (ii) amounts nominally outstanding.

(b) *Notes.* (1) The term securities as used in this account includes all authorized certificates of stock and evidences of indebtedness which have been signed, sealed, and, when required, certified by the registrar or by the trustees under the mortgage or contract, and are not short-term securities. By short-term securities are meant those which are payable on demand or which mature not more than one year from date of issue.

(2) This account shall not include securities that are merely guaranteed.

(3) This account shall not include securities which have been borrowed by the accounting company and pledged, nor any securities held in sinking and other reserve funds.

CREDITS

§ 24.850 *Funded debt.* (a) There shall be included in this account the total par value of unmatured debt, maturing more than one year from date of issue, issued by the accounting company and not retired or canceled, and the total par value of similar unmatured debt of other companies, the payment of which has been assumed by the accounting company.

(b) The amounts included in this account shall be divided so as to show the par value of certificates or other evidences of debt (pledged and unpledged) held in the company's treasury, by its agents or trustees, or otherwise subject to its control, including both those reacquired after actual issue and those nominally but never actually issued; and of certificates or other evidences of debt issued and actually outstanding, being those not held by the company, its agents or trustees, or subject to its control.

(c) The amounts included herein shall be further divided so as to show the amount of each class of debt. Each class shall also be divided into subclasses according to differences in mortgage or other lien or security therefor, rate of interest, interest dates, or date of maturity. Parts of any issue agreeing in other characteristics but maturing serially may be treated as of the same subclass.

(d) *Notes.* (1) Securities maturing one year or less from date of issue shall be included in account 854, "Amounts payable to affiliated companies," or 860, "Loans and bills payable," except that where an issue of securities maturing serially over a period of years contains short-term obligations such obligations may be included as funded debt. Matured funded debt shall be included in account 869, "Other current liabilities," if provision has been made for current settlement. If no provision has been made for current settlement, matured funded debt shall be included in account 851, "Debt in default," except that when the collection of matured funded debt of affiliated companies is not enforced by controlling companies, the principal amount (to the extent held by a controlling company) shall be included in account 854, "Amounts payable to affiliated companies."

(2) Nonnegotiable notes having a maturity of more than one year after date of issue, held by affiliated companies, shall be included in account 854, "Amounts payable to affiliated companies."

§ 24.851 *Debt in default.* This account shall include amounts transferred from other accounts representing matured long-term securities or obligations, receivers' and trustees' securities, equipment obligations and short-term notes, when maturity dates of such obligations have not been extended.

(a) The principal amount of matured funded debt of affiliated companies the collection of which is not enforced by the controlling company shall (to the extent of the principal amount held by the controlling company) be included in account 854, "Amounts payable to affiliated companies."

(b) The principal amount of unpresented funded debt obligations which have matured, and for which provision has been made for payment shall be included in account 869, "Other current liabilities."

§ 24.852 *Receivers' and trustees' securities.* When receivers or trustees acting under the orders of a court are in possession of the property of the company, and under the order of such court issue or assume evidences of indebtedness the par value of such evidences shall be credited to this account.

§ 24.854 *Amounts payable to affiliated companies.* (a) This account shall include the par value of nonnegotiable notes issued to affiliated companies, matured funded debt of affiliated companies held by controlling companies where there is no agreement for an extension as to time of payment and collection of the principal is not enforced, credit balances in open accounts with such companies other than credit balances in current accounts classable as current liabilities, and interest accrued on notes, matured funded debt of affiliated companies and open accounts included in this account, when such interest is not subject to current settlements.

This account shall be divided:

(1) Notes, including herein not only nonnegotiable notes that run longer than a term of one year, but also such notes payable on demand or within one year from the date of issue when it is mutually agreed that the notes shall not be enforced as current assets by the holder.

(2) Par value of matured funded debt of affiliated companies held by controlling companies where there is no agreement for an extension of time and collection is not enforced.

(3) Open accounts not subject to current settlement.

(4) Interest accrued on amounts included in this account when not subject to current settlements.

(b) *Notes.* (1) Accounts with affiliated companies which are subject to current settlements, such as charges for material and supplies currently furnished, charges for repairs to equipment, etc., shall be classed as current assets or current liabilities, as may be appropriate.

(2) No item shall be included in this account which is not known to be the property of an affiliated company.

§ 24.860 *Loans and bills payable.* (a) This account shall include the balances representing obligations outstanding in the form of loans and bills payable or other similar evidences (except interest coupons) of indebtedness payable on demand or within a time not exceeding one year from date of issue.

(b) This account shall be kept in such form so as to show separately the amounts of notes payable within one year from date of issue that are secured by collateral.

(c) *Note.* This account shall not include obligations which mature more than one year after date of issue, or demand or short-term notes issued to affiliated companies and includible in account 854, "Amounts payable to affiliated companies."

§ 24.861 *Audited accounts and wages payable.* This account shall include the amount of audited vouchers or accounts and audited payrolls unpaid on the date of the balance sheet. It shall include balances representing unclaimed wages and outstanding pay and time or discharge checks issued in payment of wages and all other unpaid vouchered items.

§ 24.862 *Miscellaneous accounts payable.* This account shall include items of the nature of demand liabilities not covered by accounts 860, 861, 863, and 864.

NOTE: The amount to be reported under this account is not the net balance between this account and account 824, "Miscellaneous accounts receivable."

§ 24.863 *Accrued interest.* This account shall include the amount of unpaid interest accrued to the date of the balance sheet actually outstanding on loans, funded debt and other interest-bearing obligations.

(a) Interest accrued on nonnegotiable debt to affiliated companies, if not subject to current settlement, shall be in-

cluded in account 854, "Amounts payable to affiliated companies."

(b) Interest accrued which is not paid when it matures shall be included in account 872, "Interest in default," unless provision has been made for current settlement. Where interest is in default, subsequent accruals shall be credited direct to account 872, "Interest in default."

§ 24.864 *Dividends payable.* This account shall include the amount of dividends declared on actually outstanding capital stock but unpaid at the date of the balance sheet.

§ 24.867 *Accrued rents.* This account shall include rents, under leases or other agreements, accrued to the date of the balance sheet. It shall also include the amount of accrued dividends on stock and accrued interest on the funded debt of other companies when such dividends and interest are payable by the accounting company as all or a portion of the rent under leases or other agreements with those companies.

§ 24.868 *Accrued tax liability.* This account shall include the admitted liability accrued for the period covering taxes of all kinds, including amount of payroll taxes collected from employees, due within two years from the date of the balance sheet.

NOTE: When vouchers for taxes are audited, the related amounts shall be cleared from this account provided the vouchers are to be paid currently.

§ 24.869 *Other current liabilities.* There shall be included in this account the principal amount of unpresented bonds drawn for redemption through the operation of sinking and redemption fund agreements, the amount of unpresented preferred stock called before maturity, also the principal amount of unpresented funded debt obligations, and receivers' and trustees' securities which have matured (for which provision has been made for current settlement), and other current liabilities not covered by accounts 860 to 868, inclusive.

§ 24.871 *Liability for provident funds.* This account shall include the book balances representing the liability of the accounting company for the amount of the assets (whether contributed by the company, by the employees, or by others) in the hands of its treasurer or of its trustees or managers acting for it in the administration of employees' pension, savings, relief, hospital, and other association funds.

(a) This account shall not include items representing funds in which the accounting company has no beneficial interest and which it holds purely as trustee.

(b) The liability for provident funds which are carried in the current cash of the company shall be included under current liabilities, in account 862, "Miscellaneous accounts payable."

§ 24.872 *Interest in default.* This account shall include the amount of matured and unpaid interest (for which no provision has been made for current settlement) on indebtedness issued or assumed by the accounting company except interest which is added to the principal of the debt on which incurred. Where interest is in default, subsequent accruals shall be credited to this account.

§ 24.873 *Other deferred liabilities.* This account shall include items of deferred liabilities not covered by accounts 871 and 872 such as assessments for public improvements payable over a period longer than one year; retained percentages due contractors to be paid upon completion of contracts; and other similar items.

NOTE: The amount of assessments for public improvements, if payments are to be made within one year, shall be included in account 869, "Other current liabilities."

§ 24.874 *Premium on funded debt.* This account shall include the total of the net credit balances in the discount, expense, and premium accounts for the several subclasses of funded debt.

CROSS REFERENCE: See § 24.01–83 "Discount, expense, and premium on funded debt."

§ 24.875 *Insurance and casualty reserves.* This account shall include the net credit balance in the accounts to which are credited insurance premiums concurrently charged to operating expenses to cover self-carried risks on fire, fidelity, boiler, casualty, burglar, and other insurance, and to which are charged losses sustained on items protected by such insurance; also estimates of probable liability for injuries and casualties not otherwise provided for.

§ 24.876 *Equalization reserves.* This account shall include book balances representing reserves created by charges to operating expenses for the equalization of car repairs. The balances in this account shall be cleared at the end of each calendar year to the accounts through which they were created.

CROSS REFERENCE: See § 24.01–46 "Equalization of car repairs."

§ 24.877 *Maintenance reserves.* (a) This account shall be credited with amounts systematically reserved by accruals to operating expenses for deferred maintenance and major repairs to rolling stock in accordance with § 24.01–47 of special instructions for operating expenses.

(b) When the maintenance work for which provision was made has been performed, the cost of such repairs shall be charged, according to the nature of the repairs, to the appropriate primary accounts in operating expenses. Concurrently this account shall be cleared to the extent that provision has been made herein for such repairs through the accounts originally charged.

(c) *Note.* To the extent that provision is made in this account for deferred maintenance and major repairs to rolling stock an amount of cash equal thereto shall be deposited in a special account or invested in United States Treasury Securities and included in account 813, "Maintenance funds."

§ 24.878 *Accrued amortization of defense projects.* This account shall be credited with amounts charged to operating expenses with respect to cars or protective service property or to income in connection with miscellaneous physical property, in all cases where the company has elected to observe amortization accounting for income tax purposes under section 124, "Amortization deduction," of the Internal Revenue Code.

§ 24.879 *Accrued depreciation; cars or protective service property.* (a) This account shall be credited with amounts concurrently charged to operating expenses or other accounts for depreciation accruals relating to cars or protective service property in accordance with § 24.01–48 special instructions for operating expenses.

(b) At the time of the retirement of each unit of depreciable property this account shall be charged with the entire service value of the unit or minor item accounted for as retired, where the group plan of accounting for depreciation is used, and with the amount included in this account with respect to the property retired where the unit plan is used.

(c) For balance sheet purposes, this account shall be treated as a single composite reserve. However, for purposes of analysis, the accounting company shall maintain subsidiary records in which this reserve is broken down into components corresponding to the primary accounts for depreciable property. These subsidiary records shall show the current debits and credits to this reserve by primary accounts.

§ 24.880 *Accrued depreciation; miscellaneous physical property.* (a) This account shall be credited with amounts concurrently charged to income to cover the depreciation of property the cost of which is included in account 805, "Miscellaneous physical property."

(b) When any miscellaneous physical property is destroyed, sold, or otherwise retired from service, the amount included in this account with respect to the property retired shall be charged hereto.

§ 24.884 *Other unadjusted credits.* This account shall include the amount of credit balances in suspense accounts that can not be cleared and disposed of until additional information is received such as credit balances in "Shop expenses," "Store expenses" and similar clearing accounts; items charged to operating revenues and operating expenses on an estimated basis in accordance with general instruction 24.01–3 "Unaudited items"; and other similar items.

§ 24.885 *Capital stock.* (a) This account shall include the total par value of par value stock, and the total amount paid the company for stock without par value, for all shares of capital stock or other form of proprietary interest in the accounting company which have been issued to bona fide purchasers and have not been reacquired and canceled, also shares of stock nominally issued, and reacquired shares which have not been canceled.

(b) Appropriations of surplus which have been transferred to capital stock account shall also be included. The amount of the consideration received from the sale of par value stock in excess of the amount credited to this account shall be credited to account 887,

"Premiums and assessments on capital stock."

(c) When capital stock is retired or canceled, this account shall be charged with the amount at which such stock is carried in this account. In the case of no par stock the amount to be charged hereto shall be the proportion, applicable to the reacquired shares immediately prior to reacquisition, of the total book liability included herein of actually outstanding shares of the particular class and series of stock of which the reacquired shares are a part.

(d) The amounts included in this account shall be recorded so as to show:

(1) Par value of shares of par value stock and amount paid the company for shares of no par stock (pledged or unpledged) held in the company's treasury, by its agents or trustees, or otherwise subject to its control including shares nominally but never actually issued and

(2) Par value of shares of par value stock and amount paid the company for shares of no par stock issued and actually outstanding, being the shares not held by the company, its agents or trustees, or subject to its control.

(e) The amounts included herein shall be further divided so as to show the amount of each class of stock issued, separated as between par value and non par value stock, as follows:

(1) *Common stock.* Stocks which have no preference over other issues of stock in distribution of dividends or of assets.

(2) *Preferred stock.* Stocks having preference over other issues of stock in distribution of dividends or of assets.

(3) *Debenture stock.* Stocks issued under a contract to pay a specified return at specified intervals.

(4) *Receipts outstanding for installments paid.* Receipts for payments on account of subscriptions to capital stock.

(f) When the subscriber has paid his subscription in full and is entitled to receive certificates representing the shares for which he has subscribed, the par value of stocks having par value or the agreed purchase price of stock without par value shall be included in the division appropriate for the class for which the certificates are issued.

(g) Each of the above classes shall also be divided into subclasses according to differences in dividend or interest rights, voting rights, or conditions under which the securities may be retired.

§ 24.886 *Stock liability for conversion.* This account shall include the company's liability under agreements to exchange its capital stock for the outstanding securities of companies whose physical property has been acquired under such agreements, but whose securities have not yet been surrendered for exchange.

§ 24.887 *Premiums and assessments on capital stock.* (a) This account shall include the excess of the actual cash value (at the time of the sale of the stock) of the consideration received over the amounts recorded in account 885, "Capital stock," for par value stock plus accrued dividends, if any; also subsequent assessments against stockholders representing payments required in excess of par or other amounts recorded in account 885, "Capital stock," in accordance with the text of that account.

(b) When capital stock is retired and canceled, the amount in this account with respect to the shares of such stock retired and canceled shall be charged hereto.

§ 24.888 *Discount on capital stock.* This account shall include the total of the net debit balances in all accounts that include discount suffered in connection with the issuance and sale of capital stock. Records supporting the entries to this account shall be kept to show the discount suffered, if any, on each subclass of capital stock.

CROSS REFERENCE: See § 24.01–82 "Discount, premium, and assessment on capital stock."

§ 24.895 *Unearned surplus.* This account shall include all surplus arising from sources other than those classable under profit and loss and earned surplus accounts or other balance sheet accounts for which specific provision is made. Subaccounts shall be maintained as follows:

(a) *Paid-in surplus.* This subaccount shall include such items as amount of consent dividends on the accounting company's capital stock; surplus arising from donations by the accounting company's stockholders; amounts representing reduction of the par or recorded value of the accounting company's capital stock; amounts of forfeited subscriptions to the accounting company's capital stock; gains from the acquisition, retirement, or resale of reacquired shares of the accounting company's capital stock; and funded debt of the accounting company forgiven by stockholders.

It shall be charged with amounts included herein when capitalized by stock dividends or otherwise and losses from retirement or resale of reacquired shares up to an amount not in excess of credits included herein applicable to the reacquired shares; and may be charged with the amortization of discount on capital stock to the extent of credits herein.

CROSS REFERENCE: See § 24.01–82 "Discount, premium, and assessment on capital stock."

(b) *Other unearned surplus.* This subaccount shall include unearned surplus, as above defined, arising from sources other than those enumerated under subaccount 895 (a).

§ 24.896 *Appropriated earned surplus.* This account shall include the total of the net balances of appropriations of income and earned surplus for the acquisition of capital assets; the retirement of debt; sinking and redemption funds; and all other appropriations specifically set aside in the hands of trustees as well as appropriations held in general funds for which no specific investment or segregation of assets has been made. It shall also include accretions to the assets held in such special funds. (See account 637, "Income applied to sinking and other reserve funds.")

A subdivision of this account shall be maintained by classes of appropriations, the titles of which shall indicate the purpose for which the appropriations were made.

§ 24.897 *Earned surplus.* This account shall include the net balance (debit or credit) of the amounts included in accounts 701 to 721, inclusive.

The balance of all profit and loss accounts (701 to 721, inclusive) shall be closed into this account at the end of each calendar year.

By the Commission, Division 1.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 46–20861; Filed, Dec. 2, 1946; 8:48 a. m.]

PART 24—UNIFORM SYSTEM OF ACCOUNTS FOR PERSONS FURNISHING CARS OR PROTECTIVE SERVICE AGAINST HEAT OR COLD

POSTPONEMENT OF EFFECTIVE DATE

At a session of the Interstate Commerce Commission, Division 1, held at its office in Washington, D. C., on the 16th day of October A. D. 1946.

The matter of the "Uniform System of Accounts for Persons Furnishing Cars or Protective Service Against Heat or Cold, Issue of 1947," *supra*, prescribed by order dated May 7, 1946, to become effective January 1, 1947, being under consideration by the Division and good cause appearing therefor; it is ordered, that:

1. *Effective date.* The effective date of the said uniform system of accounts shall be changed to January 1, 1948, but in all other respects the said order of May 7, 1946, shall remain in full force and effect;

2. *Notice.* A copy of this order postponing the effective date shall be served upon all persons which furnish cars or protective service against heat or cold to or on behalf of any carrier by railroad or express company, and notice of this order shall be given to the general public by depositing a copy thereof in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director of the Division of the Federal Register.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 46–20860; Filed, Dec. 2, 1946; 8:47 a. m.]

Notices

DEPARTMENT OF JUSTICE.

Office of Alien Property.

[Vesting Order 7562]

FRED HALM

In re: Stock, bonds, certificate of beneficial interest, certificate of deposit and bank accounts owned by Fred Halm, also known as Frederick Halm. F–28–2297–A–1, F–28–2297–D–1, F–28–2297–E–1, F–28–2297–E–2.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Fred Halm, also known as Frederick Halm, whose last known ad-

dress is Meisenheim am Glan, Rhineland, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows:

a. Those certain shares of stock described in Exhibit A, attached hereto and by reference made a part hereof, registered in the name of Fred Halm and presently in the custody of The Continental Bank & Trust Company of New York, 30 Broad Street, New York, New York, together with all declared and unpaid dividends thereon,

b. Those certain bonds described in Exhibit B, attached hereto and by reference made a part hereof, registered as set forth in Exhibit B and presently in the custody of The Continental Bank & Trust Company of New York, 30 Broad Street, New York, New York, together with any and all rights thereunder and thereto,

c. Certificate of Beneficial Interest in $100 par value Second Preferred Capital stock of Androscoggin and Kennebec Railway Company for forty (40) shares of said stock, bearing number M 548, registered in the name of Fred Halm and presently in the custody of The Continental Bank & Trust Company of New York, 30 Broad Street, New York, New York, together with any and all rights thereunder and thereto,

d. Certificate of deposit for The Ritz-Carlton Hotel First Mortgage 6% Gold Bonds, due July 1, 1934, of $3,000 face value, deposited under agreement dated June 16, 1931, said certificate of deposit bearing number 2128, being registered in the name of Fred Halm and being presently in the custody of The Continental Bank & Trust Company of New York, 30 Broad Street, New York, New York, together with any and all rights thereunder and thereto,

e. That certain debt or other obligation owing to Fred Halm, also known as Frederick Halm, by The Continental Bank & Trust Company of New York, 30 Broad Street, New York, New York, arising out of a custody account, Account Number 371, entitled Fred Halm, and any and all rights to demand, enforce and collect the same, and

f. That certain debt or other obligation owing to Fred Halm, also known as Frederick Halm, by The Chase National Bank of the City of New York, 18 Pine Street, New York, New York, arising out of a bond interest account entitled "Interest in respect of Jones Estate Corporation Twenty Year 6% Junior Mortgage Bonds due 2/1/53 payable to Fred Halm, a blocked national", and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country;

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on September 5, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

EXHIBIT A

Issuing corporation	Type of stock	Par value	Certificate No.	Number of shares
Jones Estate Corp., 745 Fifth Ave., New York, N. Y.	Common	$1	0-1275	10
National Consolidated Oil Corp.	Class "B"	1	746	1,025
2 East 61st St. Corp.	Capital Class "A"	(1)	AV 2227	1
2 East 61st St. Corp.	Capital Class "B"	(1)	BU 2770	4

[1] No par value.

EXHIBIT B

Description of issue	Face value	Rate of interest	Due date	Certificate number	Registered owner
		Percent			
Chicago Great Western RR. Co. first mortgage 50-year coupon gold bonds	$1,000	4	Sept. 1, 1959	M 40375	(Bearer.)
	1,000	4	do	M 40376	Do.
1410 Broadway Bldg., first leasehold mortgage sinking fund gold bond certificates	1,000	3½	April 15, 1951	M 916	Fred Halm.
	1,000	3½	do	M 917	Do.
	1,000	3½	do	M 918	Do.
Jones Estate Corp. 20-year junior mortgage bonds	100	6	Feb. 1, 1953	C-985	Do.
2 East 61st St. Corp. income debenture	400	5	June 1, 1957	2834	Do.

[F. R. Doc. 46-21983; Filed, Dec. 2, 1946; 8:45 a. m.]

[Vesting Order 7582]

RUDOLPH PFEIFER

In re: Stock, bonds and mortgage participation certificates owned by and debt owing to Rudolph Pfeifer. F-28-6665-A-1.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Rudolph Pfeifer, whose last known address is 23 Mechtildstrasse, Frankfurt am Main, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows:

a. Those certain shares of stock described in Exhibit A, attached hereto and by reference made a part hereof, registered in the name of Rudolph Pfeifer and presently in the custody of City Bank Farmers Trust Company, 22 William Street, New York, New York, together with all declared and unpaid dividends thereon,

b. Those certain bonds described in Exhibit B, attached hereto and by reference made a part hereof, registered in the name of Rudolph Pfeifer and presently in the custody of City Bank Farmers Trust Company, 22 William Street, New York, New York, together with any and all rights thereunder and thereto,

c. Those certain mortgage participation certificates described in Exhibit C, attached hereto and by reference made a part hereof, registered in the name of Rudolph Pfeifer and presently in the custody of City Bank Farmers Trust Company, 22 William Street, New York, New York, together with any and all rights thereunder and thereto, and

d. That certain debt or other obligation owing to Rudolph Pfeifer by City Bank Farmers Trust Company, 22 William Street, New York, New York, in the amount of $704.16, as of December 31, 1945, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country;

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on September 5, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

EXHIBIT A

Name of corporation	Type of stock	Par value	Certificate No.	Number of shares
1514 Broadway Corp.	Capital	$1	846-273	1,⅞⅞⅞
728 Park Ave. Corp.	do	1	235-238	1,⅞⅞⅞
10 East 57 St. Corp.	do	1	301-97	1,⅞⅞⅞
39 East 61st St. Corp.	do	1	101	1,⅞⅞⅞

EXHIBIT B

Description of issue	Certificate No.	Face value	Rate of interest	Due date
			Percent	
728 Park Ave. Corp. 20-year debenture.	239	$97.22	4	June 1, 1962
10 East 57th St. Corp. debenture.	315	187.50	5	June 1, 1958
39 East 61st St. Corp. debenture.	95	103.12	4	June 1, 1954

EXHIBIT C

Description of issue	Certificate No.	Original face value
Participation in City Bank Farmers Trust Co. B/M No. 9361, premises 384-386 Broadway, New York, N. Y.	18409	$781.25
Participation in City Bank Farmers Trust Co. B/M No. 9420, premises 642-650 Fifth Ave. and 2-4 West 52d St., New York, N. Y.	18410	968.75
Participation in City Bank Farmers Trust Co., B/M No. 11698, premises 335-357 West 50th St., 342-350 West 51st St., and 361 West 50th St., New York, N. Y.	18405	93.75

[F. R. Doc. 46-21084; Filed, Dec. 2, 1946; 8:45 a. m.]

[Vesting Order 7586]

FRITZ MAX ALBERT RUMPF

In re: Stock owned by and debt owing to Fritz Max Albert Rumpf. F-28-529-D-1, F-28-529-A-1.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Fritz Max Albert Rumpf, whose last known address is Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows:

a. One hundred thirty-two (132) shares of no par value prior capital stock of Hammacher, Schlemmer & Co. Inc., 145 East 57th Street, New York, New York, evidenced by certificate number 32, registered in the name of Fritz Max Albert Rumpf, and presently in the custody of Bessie M. Kellogg, 27 William Street, New York, New York, together with all declared and unpaid dividends thereon,

b. One hundred thirty-two (132) shares of no par value preferred capital stock of Hammacher, Schemmer & Co. Inc., 145 East 57th Street, New York, New York, evidenced by certificate number 32, registered in the name of Fritz Max Albert Rumpf, and presently in the custody of Bessie M. Kellogg, 27 William Street, New York, New York, together with all declared and unpaid dividends thereon,

c. Eighty-eight (88) shares of no par value common capital stock of Hammacher, Schlemmer & Co., Inc., 145 East 57th Street, New York, New York, evidenced by certificate number 30, registered in the name of Fritz Max Albert Rumpf, and presently in the custody of Bessie M. Kellogg, 27 William Street, New York, New York, together with all declared and unpaid dividends thereon, and

d. That certain debt or other obligation owing to Fritz Max Albert Rumpf, by Bessie M. Kellogg, Executrix of the Estate of Almon C. Kellogg, 27 William Street, New York, New York, in the amount of $49.74, as of December 31, 1945, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country;

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on September 5, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46-21085; Filed, Dec. 2, 1946; 8:45 a. m.]

[Vesting Order 7587]

HANNIE RUMPF ET AL.

In re: Stock owned by Hannie Rumpf, Mary Thielen, Friederich Albert Ernst Rumpf, and Marie Anneliese Bormann. D-66-2189-D-1.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Hannie Rumpf, Mary Thielen, Friederich Albert Ernst Rumpf, and Marie Anneliese Bormann, whose last known addresses are Germany, are residents of Germany and nationals of a designated enemy country (Germany);

2. That the property described as follows: Those certain shares of stock of Hammacher, Schlemmer & Co. Inc., 145 East 57th Street, New York, New York, described in Exhibit A, attached hereto and by reference made a part hereof, owned by the persons set forth in Exhibit A, registered in the names of the persons set forth in Exhibit A, and presently in the custody of the persons set forth in Exhibit A, together with all declared and unpaid dividends thereon,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid nationals of a designated enemy country;

And determining that to the extent that such nationals are persons, not within a designated enemy country, the national interest of the United States requires that such persons be treated as

nationals of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on September 5, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

EXHIBIT A

Owner	Number of shares	Type of stock	Par value	Certificate No.	Registered in the name of—	In the custody of—	APG file No.
Hannie Rumpf	132	Prior	None	4	Mr. A. W. Naht and Dr. F. Gestefeld, as trustees for Hannie Rumpf.	Not known	F-28-22697-D-1.
Do	132	Preferred	None	5	do	do	F-28-22697-D-1.
Do	88	Common	None	4	do	do	F-28-22697-D-1.
Mary Thielen	132	Prior	None	5	Mr. A. W. Naht and Dr. F. Gestefeld, as trustees for Mary Thielen.	do	F-28-22698-D-1.
Do	132	Preferred	None	6	do	do	F-28-22698-D-1.
Do	88	Common	None	5	do	do	F-28-22698-D-1.
Friederich Albert Ernst Rumpf	132	Prior	None	29	Friederich Albert Ernst Rumpf	Adolph Pollitz, 53 Park Pl., New York, N. Y.	F-28-15005-D-1, F-28-15005-A-1.
Do	132	Preferred	None	29	do	do	F-28-15005-D-1, F-28-15005-A-1.
Do	88	Common	None	27	do	do	F-28-15005-D-1, F-28-15005-A-1.
Marie Anneliese Bormann	132	Prior	None	31	Marie Anneliese Bormann	do	F-28-528-A-1.
Do	132	Preferred	None	31	do	do	F-28-528-A-1.
Do	88	Common	None	29	do	do	F-28-528-A-1.

[F. R. Doc. 46-21086; Filed, Dec. 2, 1946; 8:46 a. m.]

[Vesting Order 7595]

SHIGEJI TAJIMA

In re: Bonds owned by and debt owing to Shigeji Tajima. F-39-103-A-1.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Shigeji Tajima, whose last known address is c/o Mitsui Bank, Ltd., Tokyo, Japan, is a resident of Japan and a national of a designated enemy country (Japan);

2. That the property described as follows:

a. Twelve Oriental Development Co., Ltd., External Guaranteed Debenture Gold 5½% bonds, due 1958, each of $1,000 face value, bearing the numbers 17911 through 17921 inclusive and 15680, issued in the name of bearer, presently in the custody of the Superintendent of Banks of the State of New York, as Liquidator of the Business and Property in New York of Mitsui Bank, Ltd., 80 Spring Street, New York, New York, together with any and all rights thereunder and thereto, and

b. All those debts or other obligations owing to Shigeji Tajima by the Superintendent of Banks of the State of New York, as Liquidator of the Business and Property in New York of Mitsui Bank, Ltd., 80 Spring Street, New York, New York, including particularly but not limited to a portion of the sum of money on deposit with Guaranty Trust Company of New York, 140 Broadway, New York, New York, in an account entitled "Superintendent of Banks of the State of New York, as Liquidator of the Business and Property in New York of Mitsui Bank, Ltd.—Dividend Account", maintained at the aforesaid bank, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country;

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on September 5, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46-21087; Filed, Dec. 2, 1946; 8:46 a. m.]

[Vesting Order 7674]

MITSUI BUSSAN KAISHA, LTD.

In re: Stock owned by Mitsui Bussan Kaisha, Ltd., and others. D-39-18708-D-1, F-39-498-D-1, F-39-1470-D-1, F-39-1320-D-1, F-39-1744-D-1.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That the following corporations, partnerships, associations or other business organizations, whose last known addresses are set forth opposite their names

Names and Addresses

Mitsui Bussan Kaisha, Ltd., Tokyo, Japan.
Dai Nippon Boseki Kabushiki Kaisha, Amagasaki, Japan.
Naigai Wata Kaisha, Ltd., Osaka, Japan.
Toyo Boseki Kabushiki Kaisha, Osaka, Japan.

are organized under the laws of Japan, and have or, since the effective date of Executive Order No. 8389, as amended, have had their principal places of business in Japan and are nationals of a designated enemy country (Japan);

2. That the property described as follows: Ninety-seven hundred seventeen (9,717) shares of no par value capital stock of Far East Power Corporation, Two Rector Street, New York 6, New York, a corporation organized under the laws of the State of Delaware, evidenced by the certificates listed below, registered in the names of and owned by the persons listed below in the amounts appearing opposite each name as follows:

Registered owner	Certificate No.	Type of stock	Number of shares
Mitsui Bussan Kaisha, Ltd.	P19	Preferred	467
Do	NY34	Common	6,250
Dai Nippon Boseki Kabushiki Kaisha.	NY28	do	1,000
Naigai Wata Kaisha, Ltd.	NY53	do	1,000
Toyo Boseki Kabushiki Kaisha.	NY52	do	1,000

together with all declared and unpaid dividends thereon,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid nationals of a designated enemy country;

And determining that to the extent that such nationals are persons not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Japan);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on September 19, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46-21088; Filed, Dec. 2, 1946; 8:46 a. m.]

[Vesting Order 7680]

KARL OTTO PETRY

In re: Stock, bonds and mortgage participation certificates owned by and debt owing to Karl Otto Petry. F-28-6664-A-1.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Karl Otto Petry, whose last known address is Kuchstrasse 8, Wetzlar/Lahn, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows:

a. Those certain shares of stock described in Exhibit A, attached hereto and by reference made a part hereof, registered in the name of Karl Otto Petry and presently in the custody of City Bank Farmers Trust Company, 22 William Street, New York, New York, together with all declared and unpaid dividends thereon,

b. Those certain bonds described in Exhibit B, attached hereto and by reference made a part hereof, registered in the name of Karl Otto Petry and presently in the custody of City Bank Farmers Trust Company, 22 William Street, New York, New York, together with any and all rights thereunder and thereto,

c. Those certain mortgage participation certificates described in Exhibit C, attached hereto and by reference made a part hereof, registered in the name of Karl Otto Petry and presently in the custody of City Bank Farmers Trust Company, 22 William Street, New York, New York, together with any and all rights thereunder and thereto, and

d. That certain debt or other obligation owing to Karl Otto Petry, by City Bank Farmers Trust Company, 22 William Street, New York, New York, in the amount of $853.47, as of December 31, 1945, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country;

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on September 19, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

EXHIBIT A

Name of corporation	Type of stock	Par value	Certificate No.	Number of shares
1514 Broadway Corp.	Capital	$1	848-275	2,[illegible]
728 Park Ave. Corp.	do	1	233-236	1,[illegible]
10 East 57th St. Corp.	do	1	303- 99	2,[illegible]
39 East 61st St. Corp.	do	1	102	2,[illegible]

EXHIBIT B

Description of issue	Certificate No.	Face value	Rate of interest	Due date
			Pct.	
728 Park Ave. Corp. 20-year debenture.	237	$116.66	4 5	June 1, 1962
10 East 57th St. Corp. debenture.	317	225.00		June 1, 1958
39 East 61st St. Corp. debenture stamped.	97	123.75	4	June 1, 1954

EXHIBIT C

Description of issue	Certificate No.	Original face value
Participation in City Bank Farmers Trust Co. B/M No. 9361, premises 384-386 Broadway, New York, N. Y.	18420	$937.50
Participation in City Bank Farmers Trust Co. B/M No. 9420, premises 642-650 Fifth Ave. and 2-4 West 52d St., New York, N. Y.	18419	1,162.50
Participation in City Bank Farmers Trust Co. B/M No. 11698, premises 335-357 West 50th St., 342-350 West 51st St., and 361 West 50th St., New York, N. Y.	18422	112.50

[F. R. Doc. 46-21089; Filed, Dec. 2, 1946; 8:46 a. m.]

[Vesting Order 7727]

ANNA JOEST FISCHL

In re: Real property, property insurance policy and claim owned by Anna Joest Fischl, formerly known as Anna Joest.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Anna Joest Fischl, formerly known as Anna Joest, whose last known

address is Kolinburg Niederbayern, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows:

a. Real property situated in the City of Newark, County of Essex and State of New Jersey, particularly described in Exhibit A, attached hereto and by reference made a part hereof, together with all hereditaments, fixtures, improvements and appurtenances thereto, and any and all claims for rents, refunds, benefits or other payments arising from the ownership of such property,

b. All right, title and interest of Anna Joest Fischl, formerly known as Anna Joest, in and to Fire Insurance Policy No. 194314, issued by the Niagara Fire Insurance Company, 80 Maiden Lane, New York, New York, which policy is in the amount of $6,000, and expires on December 15, 1946, and

c. All those debts or other obligations owing to Anna Joest Fischl, formerly known as Anna Joest, by Josephine M. Treusch, 1130 Broad Street, Newark, New Jersey, including particularly but not limited to that sum of money on deposit with the Federal Trust Company, Newark, New Jersey, in a Special Account entitled "Josephine M. Treusch, Special, Account No. 49777", and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described in subparagraph 2–a hereof, subject to recorded liens, encumbrances and other rights of record held by or for persons who are not nationals of designated enemy countries, and hereby vests in the Alien Property Custodian the property described in subparagraphs 2–b and 2–c hereof,

All such property so vested to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on September 25, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

EXHIBIT A

All that certain tract or parcel of land and premises, hereinafter particularly described, situate, lying and being in the City of Newark, in the County of Essex, and State of New Jersey:

Beginning at a point in the easterly line of Coes Place 121.8 feet southerly from the southerly side of Marshall Street, said point being at the southwesterly corner of land conveyed by the parties of the first part to Anna Kap; thence easterly along the southerly line of said lands 108 feet more or less to the southeasterly corner thereof and the line of land now or formerly of William B. Guild; thence southerly and along said Guild's line 37.5 feet more or less to a corner in the land now or formerly of Reuben Warshawsky; thence westerly and still along a line in said Warshawsky's lands and along the northerly line of lands of Charles L. Norton and Grace I. Norton, his wife, 50 feet more or less; thence southerly along said Norton's lands to the northeasterly corner of lands now or formerly of Florence Redler, Trustee for Mary Devine, and thence westerly along the northerly lines of said Redler's land and of lands now or formerly of Clifton L. Titcomb and wife 56 feet more or less to the said easterly line of Coes Place; thence northerly along said easterly line of Coes Place 45 feet more or less to the point or place of beginning.

[F. R. Doc. 46–21090; Filed, Dec. 2, 1946; 8:47 a. m.]

[Vesting Order 7746]

BERNHARDINE SCHAFER

In re: Stock owned by and debt owing to Bernhardine Schafer. F–28–23518–A–1.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Bernhardine Schafer, whose last known address is Friedrichshafen, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows:

a. Fourteen (14) shares of no par value common capital stock of The Commonwealth & Southern Corporation, 20 Pine Street, New York 5, New York, a corporation organized under the laws of the State of Delaware, evidenced by certificate number TA 14477, registered in the name of Bernhardine Schafer, together with all declared and unpaid dividends thereon,

b. Forty-four (44) shares of no par value common capital stock of The Commonwealth & Southern Corporation, 20 Pine Street, New York 5, New York, a corporation organized under the laws of the State of Delaware, evidenced by certificates numbered 301783 for 4 shares, X63943 for 10 shares, 291872 for 5 shares, and 246960 for 25 shares, registered in the name of Henry Clews & Co., together with all declared and unpaid dividends thereon, and

c. That certain debt or other obligation owing to Bernhardine Schafer, by Henry Clews & Co., 9 Broadway, New York 4, New York, in the amount of $13.07, as of December 31, 1945, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country;

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on September 25, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46–21091; Filed, Dec. 2, 1946; 8:47 a. m.]

[Vesting Order 7779]

EMMA LOEFFLER

In re: Bonds, bond coupons and cash owned by Emma Loeffler.

Under the authority of the Trading with the Enemy Act, as amended, and

Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Emma Loeffler, whose last known address is Furtwanger, Baden, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows:

a. Those certain bonds described in Exhibit A, attached hereto and by reference made a part hereof, formerly held by Mount Pleasant Safe Deposit Company (in dissolution), Pleasantville, New York, and presently in the possession of the Alien Property Custodian, together with any and all rights thereunder and thereto,

b. One (1) coupon for May, 1937, one (1) coupon for November, 1937 and one (1) coupon for May, 1938, detached from each of the Rheinisch-Westfalisches Elektrizitatswerk Aktien-Gesellschaft direct mortgage gold bonds described in Exhibit A, being six (6) coupons in all, formerly held by the Mount Pleasant Safe Deposit Company (in dissolution), Pleasantville, New York, and presently in the possession of the Alien Property Custodian, together with any and all rights thereunder and thereto,

c. Cash in the amount of $247.45 formerly held by Mount Pleasant Safe Deposit Company in Liquidation, Pleasantville, New York, and presently in the possession of the Alien Property Custodian, and

d. Cash in the amount of $715, presently in the possession of the Alien Property Custodian,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country;

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country Germany;

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on September 30, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

EXHIBIT A

Description of issue	Rate of interest	Due date	Face value	Certificate No.
	Percent			
Rheinisch-Westfalisches Elektrizitatswerk Aktien-Gesellschaft direct mortgage gold bonds	6	May 1, 1952	$1,000	M9656
	6	do	1,000	M9657
Conversion Office for German foreign debts dollar bonds	3	Jan. 1, 1946	100	C078720
	3	do	100	C078721
	3	do	100	C078722
Commonwealth of Australia external loan of 1927 gold bonds.	5	Sept. 1, 1957	1,000	1735
11 West 42d St., Inc., first mortgage leasehold sinking fund gold bonds	6½	Nov. 1, 1945, extended to Nov. 1, 1953.	500	D370
	6½	do	500	D798
	6½	do	1,000	M557

[F. R. Doc. 46-21092; Filed, Dec. 2, 1946; 8:47 a. m.]

[Vesting Order 7812]

HENRY MORY

In re: Mortgages on real property and claim owned by Henry Mory, also known as Henry Morey, Heinrich Mory and as Heinrich Morey.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Henry Mory, also known as Henry Morey, Heinrich Mory, and as Heinrich Morey, whose last known address is (23) Morsum 132, Kreis Verden (Aller), Provinz Hannover, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows:

a. A mortgage executed on May 25, 1910, by Louise E. Burton to Sarah R. Pierce, and recorded on May 27, 1910, in the Office of the Register of New York County, New York, in Liber 48, Section 12, of Mortgages, at Page 12; which mortgage was assigned by I. Whitson Valentine and James Irving Baylis, as Executors of the Estate of Sarah R. Pierce, deceased, to Henry Morey, by assignment recorded on October 27, 1922, in the Office of the Register of Bronx County, New York, in Liber 642 of Mortgages, at Page 175, and any and all obligations secured by said mortgage, including but not limited to all security rights in and to any and all collateral (including the aforesaid mortgage) for any and all such obligations and the right to enforce and collect such obligations and the right to possession of any and all notes, bonds and other instruments evidencing such obligations,

b. A mortgage executed on June 21, 1918, by Adolf Schlobohm and Anna C. Schlobohm, his wife, to Heinrich Mory; which mortgage was recorded in the Office of the County Clerk of Bergen County, New Jersey, on July 6, 1918, in Book No. 408 of Mortgages, at Page 351, and any and all obligations secured by said mortgage, including but not limited to all security rights in and to any and all collateral (including the aforesaid mortgage) for any and all such obligations and the right to enforce and collect such obligations and the right to possession of any and all notes, bonds and other instruments evidencing such obligations,

c. All those debts or other obligations owing to Henry Mory, also known as Henry Morey, Heinrich Mory and as Heinrich Morey, by Mrs. John Horstmann, 9009 84th Street, Woodhaven, New York, including particularly but not limited to that sum of money on deposit with the Bank of Manhattan Company, 8401 Jamaica Avenue, Woodhaven, New York, in Special Interest Account No. 36574, and any and all right to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described in subparagraphs 2-a to 2-c above, inclusive, to be held, used, administered, liquidated, sold, or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return

such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on October 10, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46-21093; Filed, Dec. 2, 1946; 8:47 a. m.]

[Vesting Order 7813]

CHARLOTTE HINCK SOMFLETH ET AL.

In re: Interests in real property, property insurance policy and claim owned by Charlotte Hinck Somfleth, and others.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That the persons, whose names and last known addresses appear below, are residents of Germany and nationals of a designated enemy country (Germany);

Name and Last Known Address

Charlotte Hinck Somfleth, Nagel Str. Ft. Stade/N. Elbe, Germany.
Edward Natorp, Bremenvorder Str. 68, Stade/N., Elbe, Germany.
Edith Hinck, Bremenvorder Str. 68 Stade/N., Elbe, Germany.
Walter Hinck, Bremenvorder, Str. 68, Stade/N., Elbe, Germany.
Hurt Hinck, Bremenvorder Str. 68, Stade/N., Elbe, Germany.
Fritz Hinck, Bremenvorder Str. 68, Stade/N., Elbe, Germany.
Christa Hinck, Bremenvorder Str. 68, Stade/N., Elbe, Germany.
Olive Schneider, Dorothein Str. 16 I., Dresden A. 20, Germany.
Margaret Telgmann, Dittmer Str. 7, Hanover, Waldheim, Germany.
Hildegarde Telgmann Berlin, Astendorf Str. 36, Hopernick, Germany.
Adolph Mesecke (Major A. D.), Hocker Str. 25 Stade/N. Elbe, Germany.
Frieda Mesecke, Hocker Str. 25 Stade/N. Elbe, Germany.

2. That the property described as follows:

a. An undivided 31/42nds interest in and to real property, situated in the County of Eddy, State of New Mexico, particularly described as The SE¼ of Section 21 in Township 22 South, Range 27 East, N. M. P. M., containing 160 acres together with 156 acres of water rights under the Carlsbad Irrigation District, together with all hereditaments, fixtures, improvements and appurtenances thereto, and any and all claims for rents, refunds, benefits or other payments arising from the ownership of such property,

b. All right, title and interest of the persons named in subparagraph 1 hereof, in and to Fire Insurance Policy No. 07289, insuring the dwelling on the property described in subparagraph 2-a hereof, issued by the Hartford Fire Insurance Company, Hartford, Connecticut, in the amount of $1,000.00, in the name of J. B. Choate, which policy contains the mortgage clause of the Federal Land Bank of Wichita, Wichita, Kansas, and which expires on March 14, 1947, and

c. All right, title, interest and claim of any name or nature whatsoever of the persons named in subparagraph 1 hereof, in and to any and all obligations, contingent or otherwise, and whether or not matured, owing to them by J. B. Choate, 313 North Mesquite, Carlsbad, New Mexico, including but not limited to such persons' right, title, interest and claim in and to those sums received as income from the real property described in subparagraph 2-a hereof, and any and all security rights in and to any and all collateral for any or all such obligations, and the right to enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid nationals of a designated enemy country (Germany);

And determining that to the extent that such nationals are persons not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described in subparagraph 2-a hereof, subject to recorded liens, encumbrances and other rights of record held by or for persons who are not nationals of designated enemy countries, and hereby vests in the Alien Property Custodian the property described in subparagraphs 2-b and 2-c hereof,

All such property so vested to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C. on October 10, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46-21094; Filed, Dec. 2, 1946; 8:47 a. m.]

[Vesting Order 7819]

JOHANNES RICHTER, A. G., AND WALTER RICHTER

In re: Stock owned by Johannes Richter, A. G. and Walther Richter. F-28-129-D-1, F-28-130-D-1,

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Johannes Richter, A. G., the last known address of which is West Strasse 30, Limbach, Saxony, Germany, is a corporation, partnership, association or other business organization, organized under the laws of Germany, and which has or, since the effective date of Executive Order No. 8389, as amended, has had its principal place of business in Germany, and is a national of a designated enemy country (Germany);

2. That Walther Richter, whose last known address is West Strasse 30, Limbach, Saxony, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

3. That the property described as follows:

a. Two hundred (200) shares of $5.00 par value common capital stock of Julius Kayser & Company, 500 Fifth Avenue, New York, New York, a corporation organized under the laws of the State of New York, evidenced by certificates numbered C4265 and C4266 for 100 shares each, registered in the name of Johannes Richter, A. G., together with all declared and unpaid dividends thereon, and

b. Eight hundred (800) shares of $5.00 par value common capital stock of Julius Kayser & Company, 500 Fifth Avenue, New York, New York, a corporation organized under the laws of the State of New York, evidenced by certificates numbered C4267, C4268, C4269, C4270, C4271, C4272, C4273, and C4274 for 100 shares each, registered in the name of Walther Richter, together with all declared and unpaid dividends thereon,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid nationals of a designated enemy country;

And determining that to the extent that such nationals are persons not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall

not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on October 10, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46-21095; Filed, Dec. 2, 1946; 8:47 a. m.]

[Vesting Order 7829]

HERMANN SCHWARZMANN

In re: Real estate, travelers cheques and securities owned by Hermann Schwarzmann.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Hermann Schwarzmann, whose last known address is Riedlingen Donau, Wuerttemberg, Germany, A14, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows:

a. An undivided one-half interest in real property described in Exhibit A, attached hereto and by reference made a part hereof, together with all hereditaments, fixtures, improvements and appurtenances thereto, and any and all claims for rents, refunds, benefits or other payments arising from the ownership of such property,

b. Two shares of common stock, no par value, of Cities Service Company, a corporation organized under the laws of the State of Delaware, evidenced by Certificate No. XL211874, and registered in the name of Hermann Schwarzmann, together with all declared and unpaid dividends thereon,

c. Ten shares of common stock, no par value, of Cities Service Company, a corporation organized under the laws of the State of Delaware, evidenced by Certificate No. VL357069, and registered in the name of Hermann Schwarzmann, together with all declared and unpaid dividends thereon,

d. Forty shares of common stock, no par value, of The Commonwealth & Southern Corporation, a corporation organized under the laws of the State of Delaware, evidenced by Certificate No. 166560, and registered in the name of Hermann Schwarzmann, together with all declared and unpaid dividends thereon.

e. Option Warrant, for the purchase of ten shares of common stock, at a price of $30.00 per share, of The Commonwealth and Southern Corporation, a corporation organized under the laws of the State of Delaware, which Warrant is evidenced by Certificate No. 026194, and registered in the name of Edward G. Fisser, and any and all rights thereunder and thereto, and

f. That certain debt or other obligation owing to Hermann Schwarzmann by American Express Company, 65 Broadway, New York 6, New York, in the amount of $2,600.00, and any and all accruals thereto, evidenced by twenty-six travelers cheques numbered R5,729,631 to R5,729,656, inclusive, issued by American Express Company, 65 Broadway, New York 6, New York, and presently in the possession of the Alien Property Custodian, and any and all rights to demand, enforce and collect the aforementioned debt, or other obligation, and any and all rights in, to and under, including particularly the right to possession of the aforementioned travelers cheques.

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described in subparagraph 2-a, subject to recorded liens, encumbrances and other rights of record held by or for persons who are not nationals of designated enemy countries, hereby vests in the Alien Property Custodian the property described in subparagraphs 2-b to 2-f, hereof, inclusive.

All such property so vested to be held, used, administered, liquidated, sold, or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on October 14, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

EXHIBIT A

All that certain piece or parcel of land, lying and being at Oceanside, in the Town of Hempstead, Nassau County, New York, known and designated on a certain map entitled "Oceanside Gardens, Map on File 565, filed June 29, 1925, Oceanside, Nassau County, New York, Yost Realty Company, 1161 Madison Avenue, New York, N. Y., surveyed June 20, 1925—Edwin S. Voorhis, C. E. Rockville Centre" and filed in the office of the Clerk of the County of Nassau as and by lots numbers 12 and 13 in block number 11.

[F. R. Doc. 46-21096; Filed, Dec. 2, 1946; 8:48 a. m.]

[Vesting Order 7885]

MARTHA PINKERT ET AL.

In re: Obligations and bonds owned by Martha Pinkert and others. F-28-11959-A-1, F-28-11959-E-1.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That the persons whose names are listed in Exhibit A, attached hereto and by reference made a part hereof, and whose last known addresses appear opposite their names in Exhibit A, are residents of Germany and nationals of a designated enemy country (Germany);

2. That the property described as follows:

a. That certain debt or other obligation of Mercantile Home Bank & Trust Company, 1119 Walnut Street, Kansas City, Missouri, in the amount of $53.12, as of December 31, 1945, arising out of blocked funds carried on the Trust Department ledger of the aforesaid bank in the name of "Herman Gastreich—Blocked account for 8 German Nationals under Treas. License #KC 24", together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same, and

b. United States Treasury 2% Bonds, due 1952-1954, of $1,000.00 total face value, issued in the name of bearer, presently in the custody of Mercantile Home Bank & Trust Company, 1119 Walnut Street, Kansas City, Missouri, together with any and all rights thereunder and thereto,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by Martha Pinkert, Lina Rehme and Robert Pinkert, nationals of a designated enemy country;

3. That the property described as follows:

a. That certain debt or other obligation of Mercantile Home Bank & Trust Company, 1119 Walnut Street, Kansas

City, Missouri, in the amount of $725.96, as of December 31, 1945, arising out of blocked funds carried on the Trust Department ledger of the aforesaid bank in the name of "Herman Gastreich-Blocked account for 8 German Nationals under Treas. License #KC 24", together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same,

b. United States Treasury 2% Bonds, due 1950–1952, of $36,000.00 total face value, issued in the name of bearer, presently in the custody of Mercantile Home Bank & Trust Company, 1119 Walnut Street, Kansas City, Missouri, together with any and all rights thereunder and thereto, and

c. United States Treasury 2% Bonds, due 1952–1954, of $5,500.00 total face value, issued in the name of bearer, presently in the custody of Mercantile Home Bank & Trust Company, 1119 Walnut Street, Kansas City, Missouri, together with any and all rights thereunder and thereto,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the persons listed in Exhibit A, nationals of a designated enemy country;

And determining that to the extent that such nationals are persons not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on October 14, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

EXHIBIT A

Name and last known address	*APC file No.*
Martha Pinkert, Wilsdruff, Germany	F–28–11961
Kurt Pinkert, Neusalz, Germany	F–28–11960
Richard Pinkert, Zschopau, Germany	F–28–11962
Marie Jaehrig, Dresden, Germany	F–28–11525
Elizabeth Kadner, Dresden, Germany	F–28–11568
Lina Rehme, Wilsdruff, Germany	F–28–13298
Robert Pinkert, Leipzig, Germany	F–28–11963
Mayor of Wilsdruff, Germany (name unknown), Wilsdruff, Germany	F–28–13078

[F. R. Doc. 46–21097; Filed, Dec. 2, 1946; 8:48 a. m.]

[Vesting Order 7897]

OTTO SEIBICKE

In re: Investment certificate owned by Otto Seibicke. F–28–2826–A–1.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Otto Seibicke, whose last known address is 6 Florastrasse, Berlin-Karow, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows: One investment certificate of Pacific States Savings and Loan Company, of $1,479.98 face value, bearing the number FP21568, presently in the custody of Frank C. Mortimer, Building and Loan Commissioner, In Possession of Pacific States Savings and Loan Company, 745 Market Street, San Francisco, California, together with any and all rights thereunder and thereto,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country.

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on October 14, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46–21098; Filed, Dec. 2, 1946; 8:48 a. m.]

[Vesting Order 7900]

ANNA E. T. TAGGESELL

In re: Stocks and bank deposit owned by Anna E. T. Taggesell, also known as Anna Taggesell. F–28–648–D–1, F–28–648–D–2, F–28–648–D–3, F–28–648–E–1.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Anna E. T. Taggesell, also known as Anna Taggesell, whose last known address is Dusseldorf-Kaiserswerth, Johannisberg, Haupthaus, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows:

a. Fifteen shares of $100 par value common capital stock of Boston Elevated Railway Company, 31 St. James Avenue, Boston, Massachusetts, a corporation organized under the laws of the State of Massacuhsetts, evidenced by Certificate Number 20110, registered in the name of Miss Anna Taggesell, together with all declared and unpaid dividends thereon,

b. Ten shares of $25 par value capital stock of Boston Edison Company, 182 Tremont Street, Boston, Massachusetts, a corporation organized under the laws of the State of Massachusetts, evidenced by Certificate Number 202315, registered in the name of Miss Anna Taggesell, together with all declared and unpaid dividends thereon,

c. Fourteen shares of $100 par value capital stock of American Telephone & Telegraph Company, 195 Broadway, New York, New York, a corporation organized under the laws of the State of New York, evidenced by certificates numbered BF7059 and NG80256, each for seven shares, registered in the name of Miss Anna Taggesell, together with all declared and unpaid dividends thereon, and

d. That certain debt or other obligation owing to Anna E. T. Taggesell, also known as Anna Taggesell, by Home Savings Bank, 75 Tremont Street, Boston, Massachusetts, arising out of a savings account, Account Number 295281, entitled Anna Taggesell or Anneliese Reh-

der (Joint Account), maintained at the aforesaid bank, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country;

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on October 14, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46-21099; Filed, Dec. 2, 1946; 8:48 a. m.]

DEPARTMENT OF AGRICULTURE.

Production and Marketing Administration.

UNITED STATES STANDARDS FOR GRADES OF CANNED DRIED BEANS [1]

NOTICE OF RULE MAKING

Notice is hereby given that the United States Department of Agriculture is considering the revision, as hereinafter proposed, of the existing United States Standards for grades of canned dried beans pursuant to the authority contained in the Department of Agriculture Appropriation Act, 1947 (Pub. Law 422, 79th Cong., 2d Sess., approved June 22, 1946). The revised standards are to become effective January 2, 1947, and will supersede the United States Standards for grades of canned dried beans that were issued January 10, 1934.

All persons who desire to submit written data, views, or arguments for consideration in connection with the proposed revision and the effective date of the revised standards shall file the same in quadruplicate with the Hearing Clerk, Office of the Solicitor, Room 0308, South Building, United States Department of Agriculture, Washington 25, D. C., not later than 5:30 p. m., e. s. t., on the 20th day after the publication of this notice in the FEDERAL REGISTER.

The proposed revised standards are as follows:

§ 52.162 *Canned dried beans*—(a) *Definition.* Canned dried beans are prepared from the matured seeds of varieties of beans (Phaseolus vulgaris or Phaseolus lunatus) and may be prepared by washing, soaking, blanching, or other processing; may be packed with or without the addition of water, spices, spice oils, spice flavorings, salt, coloring agents, thickening ingredients, sweetening ingredients, tomato products, and meat or meat products; and are sufficiently processed by heat to assure preservation of the product in hermetically sealed containers.

(b) *Types of canned dried beans.*

(1) Lima beans.
(2) White beans.
(3) Red beans (including speckled types).
(4) Soybeans.
(5) Black-eye "peas" (and other common varieties of so-called dried "peas").

(c) *Styles of pack of canned dried beans.* Canned dried beans may be packed with or without added meat or meat products; and Federal inspection certificates will describe the meat or meat product if an added ingredient. Canned dried beans are usually packed as one of the following styles of pack:

(1) *Tomato sauce.* (Generally consisting of, but not restricted to, tomato pulp or puree, sweetening ingredients, salt, thickening ingredients, coloring agents, and spices or other flavorings, in the packing medium.)

(i) With pork.
(ii) Without pork.
(iii) With meat or meat product (other than pork).
(iv) Without meat or meat product (other than pork).

(2) *Sweetened sauce.* (Generally consisting of, but not restricted to, sweetening ingredients, salt, thickening ingredients, coloring agents, spices or other flavorings, and molasses, in the packing medium.)

(i) With pork.
(ii) Without pork.
(iii) With meat or meat product (other than pork).
(iv) Without meat or meat product (other than pork).

(3) *Sweetened sauce, plain.* (Generally consisting of, but not restricted to, sweetening ingredients, salt, thickening ingredients, and white pepper, in the packing medium.)

(i) With pork.
(ii) Without pork.
(iii) With meat or meat product (other than pork).
(iv) Without meat or meat product (other than pork).

(4) *Brine.* (Generally consisting of, but not restricted to, salt, sweetening ingredients, and water as the packing medium.)

(d) *Grades of canned dried beans.* (1) U. S. Grade A or U. S. Fancy canned dried beans possess similar varietal characteristics; are practically free from defects; possess a good character; possess a good typical color; possess a typical and normal flavor; and are of such quality with respect to consistency that the total score is not less than 85 points when scored in accordance with the scoring system outlined herein.

(2) U. S. Grade C or U. S. Standard canned dried beans possess similar varietal characteristics; possess a fairly good consistency; are fairly free from defects; possess a fairly good character; possess a good typical color; possess a typical and normal flavor; and score not less than 70 points when scored in accordance with the scoring system outlined herein.

(3) U. S. Grade D or Substandard canned dried beans are canned dried beans that fail to meet the requirements of U. S. Grade C or U. S. Standard.

(e) *Recommended fill of container.* It is recommended that the container be filled with canned dried beans as full as practicable without impairment of quality and that the product and packing medium occupy not less than 90 percent of the volume capacity of the container.

(f) *Ascertaining the grade.* The grade of canned dried beans may be ascertained by considering, in addition to the foregoing requirements, the following factors: Consistency, absence of defects, and character. The relative importance of each factor has been expressed numerically on a scale of 100. The maximum number of points that may be given for each factor is:

	Points
(1) Consistency	20
(2) Absence of defects	40
(3) Character	40
Total score	100

(g) *Ascertaining the rating of each factor.* The essential variations within each factor are so described that the value may be ascertained for each factor and expressed numerically. The numerical ranges within each factor are inclusive. For example, the range 17 to 20 means, 17, 18, 19, and 20.

(1) *Consistency* (i) Canned dried beans that possess a good consistency may be given a score of 17 to 20 points. "Good consistency" means that the sauce or brine surrounding the canned dried beans is smooth and is neither grainy or lumpy; that canned dried beans, if packed in a sauce, form a slightly mounded mass with not more than a slight separation of liquid when emptied on a flat surface; and that canned dried beans, if packed in a brine, may possess a gelatinous or thick consistency or a consistency in which there is a separa-

[1] The requirements of these standards shall not excuse failure to comply with the provisions of the Federal Food, Drug, and Cosmetic Act.

tion of liquid but do not possess a watery consistency.

(ii) If the canned dried beans possess a fairly good consistency, a score of 14 to 16 points may be given. "Fairly good consistency" means that the sauce or brine surrounding the canned dried beans is fairly smooth and may be slightly grainy but is not lumpy; that canned dried beans, if packed in a sauce, possess a thick consistency with practically no separation of liquid or may possess a moderate separation of liquid but do not possess a watery consistency; and that canned dried beans, if packed in a brine, may possess considerable separation of liquid or may possess a watery consistency.

(iii) Canned dried beans that fail to meet the requirements of subdivision (ii) of this subparagraph may be given a score of 0 to 13 points and shall not be graded above U. S. Grade D or Substandard, regardless of the total score for the product.

(2) *Absence of defects.* The factor of absence of defects refers to the degree of freedom from harmless extraneous vegetable material; from loose skins; from mashed and broken units; from spotted or discolored beans; and from units damaged by pathological, insect, or other similar injury.

(i) "Loose skins" are skins or portions of skins which have been separated wholly from the cotyledons. A single loose skin is considered as one-third of a unit.

(ii) "Mashed beans" are beans that are seriously crushed or flattened so that they are not of their apparent normal shape.

(iii) A broken unit is one that is so damaged that a cotyledon, or portion thereof, has become separated from the whole bean. A single cotyledon, or portion thereof, is considered as one-third of a unit.

(iv) "Spotted or discolored beans" are those units damaged by pathological or other means.

(v) Canned dried beans that are practically free from defects may be given a score of 34 to 40 points. "Practically free from defects" means that there may be present—

No harmless extraneous vegetable material;
Not more than 5 percent by count of loose skins, mashed beans, and broken units; and
Not more than 4 percent by count of spotted or discolored beans.

(vi) If the canned dried beans are fairly free from defects, a score of 28 to 33 points may be given. Canned dried beans that fall into this classification shall not be graded above U. S. Grade C or U. S. Standard, regardless of the total score for the product. "Fairly free from defects" means that there may be present—

Not more than 1 small piece of harmless extraneous vegetable material for each 20 ounces of net weight;
Not more than 10 percent by count of loose skins, mashed beans, and broken units; and
Not more than 8 percent by count of spotted or discolored beans.

(vii) Canned dried beans that fail to meet the requirements of subdivision (vi) of this subparagraph may be given a score of 0 to 27 points and shall not be graded above U. S. Grade D or Substandard, regardless of the total score for the product.

(3) *Character.* (i) Canned dried beans that possess a good character may be given a score of 34 to 40 points. "Good character" means that the beans possess a texture that is typical; that may be slightly granular or slightly firm and that the skins are tender.

(ii) If the canned dried beans possess a fairly good character, a score of 28 to 33 points may be given. Canned dried beans that fall into this classification shall not be graded above U. S. Grade C or U. S. Standard, regardless of the total score for the product. "Fairly good character" means that the beans possess a fairly good typical texture; that the beans may be firm but are not markedly hard; that the beans may be soft but are not mushy; and that the skins may be slightly tough.

(iii) Canned dried beans that fail to meet the requirements of subdivision (ii) of this subparagraph may be given a score of 0 to 27 points and shall not be graded above U. S. Grade D or Substandard, regardless of the total score for the product.

(h) *Explanation of terms.* (1) "Similar varietal characteristics" means that the beans are alike in shape, color, and general characteristics.

(2) "Good typical color" means that the product and surrounding sauce possess a color distinctly characteristic of the type of dried beans and style of pack.

(3) "Typical and normal flavor" means that the canned dried beans are free from objectionable flavors or objectionable odors of any kind and that the flavor is characteristic of the type of canned dried beans and style of pack.

(i) *Tolerance for certification of officially drawn samples.* (1) When certifying samples which have been officially drawn and which represent a specific lot of canned dried beans, the grade will be determined by averaging the score of all containers, provided not more than one-sixth of the containers fail in some respect to meet the requirements of the grade indicated by the average score.

(2) However, none of the cans may fall more than 4 points below the minimum score for the grade indicated by the average score, and if one-sixth or less of the containers fail to meet the requirements of the indicated grade by reason of a limiting rule, the average score of all containers for the limiting factor must be within the range for the grade indicated by the average total score.

(3) This tolerance does not apply if any container falls below any applicable standard of quality promulgated under the Federal Food, Drug, and Cosmetic Act.

(j) *Score sheet for canned dried beans.*

Container size			
Container code or marking			
Label			
Net weight (in ounces)			
Vacuum (in inches)			
Type			
Style of pack			
Factors	**Score points**		
I. Consistency	20	(A) 17–20 (C) 14–16 (D) 0–13[1]	
II. Absence of defects	40	(A) 34–40 (C) 28–33[1] (D) 0–27[1]	
III. Character	40	(A) 34–40 (C) 28–33[1] (D) 0–27[1]	
Total score	100		
Color			
Flavor			
Grade			

[1] Indicates limiting rule within classification.

Issued this 27th day of November 1946.

[SEAL] E. A. MEYER,
Acting Administrator, Production and Marketing Administration.

[F. R. Doc. 46–21073; Filed, Dec. 2, 1946; 8:48 a. m.]

INTERSTATE COMMERCE COMMISSION.

[S. O. 645, Special Permit 29]

BITUMINOUS COAL AT HAMPTON ROADS, VA.

Pursuant to the authority vested in me by paragraph (e) of the first ordering paragraph of Service Order No. 645 (11 F. R. 13639), permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard the provisions of Service Order No. 645 insofar as it applies to the delivery for dumping and dumping, at piers at Hampton Roads, Virginia, of approximately 8,000 tons of bituminous coal by the Virginian Railway and approximately 2,000 tons by the Chesapeake & Ohio Railway, from consignments of the General Coal Company for loading the S. S. "McManus", destined Rio de Janeiro Gas Plant, Brazil.

This special permit shall become effective at 12:01 a. m., November 23, 1946, and it shall expire at 11:59 p. m., November 30, 1946.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 22d day of November 1946.

INTERSTATE COMMERCE COMMISSION,
T. J. LEONARD,
Agent.

[F. R. Doc. 46–21049; Filed, Dec. 2, 1946; 8:49 a. m.]

[S. O. 645, Special Permit 30]

BITUMINOUS COAL AT HAMPTON ROADS, VA.

Pursuant to the authority vested in me by paragraph (e) of the first ordering paragraph of Service Order No. 645 (11 F. R. 13639), permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard the provisions of Service Order No. 645 insofar as it applies to the delivery for dumping and dumping, at piers at Hampton Roads, Virginia, by the Chesapeake & Ohio Railway, of three cars of bituminous coal from consignments of A. T. Massey Coal Company, Inc., for delivery to the U. S. Veterans Administration, Hampton, Virginia.

This special permit shall become effective at 1:00 p. m., November 22, 1946, and it shall expire at 11:59 p. m., November 26, 1946.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 22d day of November 1946.

INTERSTATE COMMERCE COMMISSION,
T. J. LEONARD,
Agent.

[F. R. Doc. 46-21050; Filed, Dec. 2, 1946; 8:49 a. m.]

[S. O. 645, Special Permit 31]

BITUMINOUS COAL AT HAMPTON ROADS, VA.

Pursuant to the authority vested in me by paragraph (e) of the first ordering paragraph of Service Order No. 645 (11 F. R. 13639), permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard the provisions of Service Order No. 645 insofar as it applies to the delivery for dumping and dumping, at piers at Hampton Roads, Virginia, of approximately 7,400 tons of bituminous coal by the Virginian Railway and 3,600 tons of bituminous coal by the Norfolk & Western Railway, from consignments of the Koppers Coal Division, for loading the S. S. "Beckley Seam", destined Connecticut Coke Company, New Haven, Connecticut.

This special permit shall become effective at 12:01 a. m., November 25, 1946, and it shall expire at 11:59 p. m., November 30, 1946.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 22d day of November 1946.

INTERSTATE COMMERCE COMMISSION,
T. J. LEONARD,
Agent.

[F. R. Doc. 46-21051; Filed, Dec. 2, 1946; 8:49 a. m.]

[S. O. 645, Special Permit 32]

BITUMINOUS COAL AT HAMPTON ROADS, VA.

Pursuant to the authority vested in me by paragraph (e) of the first ordering paragraph of Service Order No. 645 (11 F. R. 13639), permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard the provisions of Service Order No. 645 insofar as it applies to the delivery for dumping and dumping, at piers at Hampton Roads, Virginia, by the Virginian Railway, of approximately 6,900 tons of bituminous coal from consignments of the Koppers Coal Division for loading the S. S. "Edward Peirce", destined Lynn Gas & Electric Company, Lynn, Massachusetts.

This special permit shall become effective at 5:00 p. m., November 22, 1946, and it shall expire at 11:59 p. m., November 27, 1946.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 22d day of November 1946.

INTERSTATE COMMERCE COMMISSION,
T. J. LEONARD,
Agent.

[F. R. Doc. 46-21052; Filed, Dec. 2, 1946; 8:49 a. m.]

[S. O. 645, Special Permit 33]

BITUMINOUS COAL AT HAMPTON ROADS, VA.

Pursuant to the authority vested in me by paragraph (e) of the first ordering paragraph of Service Order No. 645 (11 F. R. 13639), permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard the provisions of Service Order No. 645 insofar as it applies to the delivery for dumping and dumping, at piers at Hampton Roads, Virginia, by the Virginian Railway, of approximately 11,300 tons of bituminous coal from consignments of the Koppers Coal Division for loading the S. S. "Pittsburgh Seam", destined Koppers Seaboard Division, Kearny, New Jersey.

This special permit shall become effective at 12:01 a. m., November 25, 1946, and it shall expire at 11:59 p. m., November 30, 1946.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 22d day of November 1946.

INTERSTATE COMMERCE COMMISSION,
T. J. LEONARD,
Agent.

[F. R. Doc. 46-21053; Filed, Dec. 2, 1946; 8:49 a. m.]

[S. O. 645, Special Permit 34]

BITUMINOUS COAL AT HAMPTON ROADS, VA.

Pursuant to the authority vested in me by paragraph (e) of the first ordering paragraph of Service Order No. 645 (11 F. R. 13639), permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard the provisions of Service Order No. 645 insofar as it applies to the delivery for dumping and dumping, at piers at Hampton Roads, Virginia, by the Chesapeake & Ohio Railway, from consignments of Barrows & Company and Winslow-Knickerbocker Coal Company, bituminous coal necessary for loading the barge Ajax, destined Camden Coke Plant, Camden, New Jersey.

This special permit shall become effective at 11:00 a. m., November 23, 1946, and it shall expire at 11:59 p. m., November 28, 1946.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 23d day of November 1946.

INTERSTATE COMMERCE COMMISSION,
T. J. LEONARD,
Agent.

[F. R. Doc. 46-21054; Filed, Dec. 2, 1946; 8:49 a. m.]

[S. O. 645, Special Permit 35]

BITUMINOUS COAL AT HAMPTON ROADS, VA.

Pursuant to the authority vested in me by paragraph (e) of the first ordering paragraph of Service Order No. 645 (11 F. R. 13639), permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard the provisions of Service Order No. 645 insofar as it applies to the delivery for dumping and dumping, at Hampton Roads, Virginia, by the Chesapeake & Ohio Railway, of six cars of bituminous coal from consignment No. 326, Logan & Kanawha Coal Company, for barge movement to Hampton Institute, Hampton, Virginia.

This special permit shall become effective at 11:00 a. m., November 23, 1946, and it shall expire at 11:59 p. m., November 28, 1946.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 23d day of November 1946.

INTERSTATE COMMERCE COMMISSION,
T. J. LEONARD,
Agent.

[F. R. Doc. 46-21055, Filed, Dec. 2, 1946; 8:49 a. m.]

[S. O. 645, Special Permit 36]

BITUMINOUS COAL AT BALTIMORE, MD.

Pursuant to the authority vested in me by paragraph (e) of the first ordering paragraph of Service Order No. 645 (11 F. R. 13639), permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard the provisions of Service Order No. 645 insofar as it applies to the delivery for dumping and dumping to barges, at piers at Curtis Bay, Baltimore, Maryland, by the Baltimore & Ohio Railroad, of four cars of bituminous coal shipped by the Elk Horn River Coal & Lumber Company to Carr-Lowry Glass Company.

This special permit shall become effective at 11:00 a. m., November 23, 1946, and it shall expire at 11:59 p. m., November 28, 1946.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 23d day of November 1946.

INTERSTATE COMMERCE COMMISSION,
T. J. LEONARD,
Agent.

[F. R. Doc. 46-21056; Filed, Dec., 2, 1946; 8:49 a. m.]

[S. O. 645, Special Permit 37]

BITUMINOUS COAL AT BALTIMORE, MD.

Pursuant to the authority vested in me by paragraph (e) of the first ordering paragraph of Service Order No. 645 (11 F. R. 13639), permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard the provisions of Service Order No. 645 insofar as it applies to the delivery for dumping and dumping, at Canton Piers, Baltimore, Maryland, by the Baltimore & Ohio Railroad, of 12 cars of bituminous coal from consignments of the Winslow-Knickerbocker Coal Company for loading barges destined Naval Air Station, Patuxent River, Maryland.

This special permit shall become effective at 2:00 p. m., November 23, 1946, and it shall expire at 11:59 p. m., November 28, 1946.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 23d day of November 1946.

INTERSTATE COMMERCE COMMISSION,
T. J. LEONARD,
Agent.

[F. R. Doc. 46-21057; Filed, Dec. 2, 1946; 8:49 a. m.]

[S. O. 645, Special Permit 38]

BITUMINOUS COAL AT SOUTH AMBOY, N. J.

Pursuant to the authority vested in me by paragraph (e) of the first ordering paragraph of Service Order No. 645 (11 F. R. 13639), permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard the provisions of Service Order No. 645 insofar as it applies to the delivery for dumping and dumping, at piers at South Amboy, New Jersey, by the Pennsylvania Railroad, of four cars of bituminous coal from consignments of the Loyal Hanna Coal & Coke Company, destined New York Post Graduate School and Hospital, New York, New York.

This special permit shall become effective at 6:00 p. m., November 23, 1946, and it shall expire at 11:59 p. m., November 28, 1946.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 23d day of November 1946.

INTERSTATE COMMERCE COMMISSION,
T. J. LEONARD,
Agent.

[F. R. Doc. 46-21058; Filed, Dec. 2, 1946; 8:49 a. m.]

[S. O. 645, Special Permit 39]

BITUMINOUS COAL AT SOUTH AMBOY, N. J.

Pursuant to the authority vested in me by paragraph (e) of the first ordering paragraph of Service Order No. 645 (11 F. R. 13639), permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard the provisions of Service Order No. 645 insofar as it applies to the delivery for dumping and dumping, at piers at South Amboy, New Jersey, by the Pennsylvania Railroad, of 3,000 tons of bituminous coal from consignments of the Koppers Coal Division for loading barges, destined Boston Edison Company, South Boston, Massachusetts.

This special permit shall become effective at 6:00 p. m., November 23, 1946, and it shall expire at 11:59 p. m., November 28, 1946.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 23d day of November 1946.

INTERSTATE COMMERCE COMMISSION,
T. J. LEONARD,
Agent.

[F. R. Doc. 46-21059; Filed, Dec. 2, 1946; 8:50 a. m.]

[S. O. 645, Special Permit 40]

BITUMINOUS COAL AT STATEN ISLAND, N. Y.

Pursuant to the authority vested in me by paragraph (e) of the first ordering paragraph of Service Order No. 645 (11 F. R. 13639), permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard the provisions of Service Order No. 645 insofar as it applies to the delivery for dumping and dumping, at piers at St. George, Staten Island, by the Baltimore & Ohio Railroad, of 2,000 tons of bituminous coal from "bird" classification, Staten Island Edison Corporation, for loading barges, destined Staten Island Edison Corporation.

This special permit shall become effective at 9:30 a. m., November 25, 1946, and it shall expire at 11:59 p. m., November 30, 1946.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 25th day of November 1946.

INTERSTATE COMMERCE COMMISSION,
T. J. LEONARD,
Agent.

[F. R. Doc. 46-21060; Filed, Dec. 2, 1946; 8:50 a. m.]

[S. O. 645, Special Permit 41]

BITUMINOUS COAL AT SOUTH AMBOY, N. J.

Pursuant to the authority vested in me by paragraph (e) of the first ordering paragraph of Service Order No. 645 (11 F. R. 13639), permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard the provisions of Service Order No. 645 insofar as it applies to the delivery for dumping and dumping, at piers at South Amboy, New Jersey, by the Pennsylvania Railroad, of forty cars of bituminous coal from consignments of the George E. Warren Corporation for tidewater movement to the Connecticut Power Company, Stamford, Connecticut.

This special permit shall become effective at 9:30 a. m., November 25, 1946, and it shall expire at 11:59 p. m., November 30, 1946.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 25th day of November 1946.

INTERSTATE COMMERCE COMMISSION,
T. J. LEONARD,
Agent.

[F. R. Doc. 46-21061; Filed, Dec. 2, 1946; 8:50 a. m.]

[S. O. 645, Special Permit 42]

BITUMINOUS COAL AT SOUTH AMBOY, N. J.

Pursuant to the authority vested in me by paragraph (e) of the first ordering paragraph of Service Order No. 645 (11 F. R. 13639), permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard the provisions of Service Order No. 645 insofar as it applies to the delivery for dumping and dumping, at piers at South Amboy, New Jersey, by the Pennsylvania Railroad, of approximately 450 tons of bituminous coal from consignments of the United Eastern Coal Sales Corporation, for loading barge destined Hotel New Yorker.

This special permit shall become effective at 2:00 p. m., November 25, 1946, and it shall expire at 11:59 p. m., November 30, 1946.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 25th day of November 1946.

INTERSTATE COMMERCE COMMISSION,
T. J. LEONARD,
Agent.

[F. R. Doc. 46-21062; Filed, Dec. 2, 1946; 8:50 a. m.]

OFFICE OF PRICE ADMINISTRATION.

Regional and District Office Orders.

[Portland Order G-31 Under 18 (c)]

FIREWOOD IN BEND, OREG., AREA

For the reasons set forth in the opinion issued simultaneously herewith, and under the authority vested in the District Director of the Office of Price Administration by § 1499.18 (c), as amended, of the General Maximum Price Regulation, Revised General Order No. 32 and Order of Delegation No. 75, issued by the Regional Administrator of Region VIII, *It is hereby ordered*, That:

(a) The maximum prices as established by §§ 1499.2 and 1499.3 of the General Maximum Price Regulation or by any previous order issued pursuant to such regulation, or by any supplementary regulation thereto, for the sale and delivery of the types of firewood specified below in the Bend Area in the State of Oregon are hereby adjusted so that the maximum prices therefor shall be:

Type of Firewood and Maximum Price Per Cord Delivered to the Premises of Ultimate Consumer

Jackpine—4' Cordwood—body and limbs: $10.00.
Juniper Wood—4' Cordwood: $11.50.
Either wood cut into 16" lengths: $1.75 additional per cord.

(b) This Order No. G-31 supersedes and revokes Order No. VII-P-G-(8) 113-118.2, Order and statement on application for adjustment of firewood prices issued on October 13, 1942, by the State Director for Oregon, Oregon State Office, Office of Price Administration and amended October 28, 1942 and November 13, 1942.

(c) This Order No. G-31 also supersedes all other orders in addition to the Order specified in paragraph (b) above which established maximum prices for the kinds and types of firewood covered by this order when sold in the area and by the persons covered by this Order No. G-31.

(d) Definitions:

(1) The "Bend, Oregon, Area" as herein used means the City of Bend, Oregon, and the territory within five miles of its city limits.

(e) No seller shall evade any of the provisions of the Order No. G-31 by changing the customary allowances, discounts, or other price differentials unless such change results in a lower price.

(f) Invoices and records. Every person making a sale of firewood for which a maximum price is set by this order shall give the purchaser or his agent at the time of the sale an invoice or other memorandum of sale, which shall show:

(1) The date of sale.

(2) The name and address of the buyer and seller.

(3) The quantity of firewood sold.

(4) Description of firewood sold, in the same manner as it is described in this order. (This shall include the kind of wood, i. e., hard, soft, or mixed, and length of pieces of wood.)

(5) Place of sale. (If the price is dependent on place of delivery, then the place of delivery shall be stated.)

(6) The total price of the wood. On the invoice or memorandum a separate statement shall be made of any discounts and of each service rendered such as delivery, carrying, and stacking and the charge made for each such service.

The seller shall keep an exact copy of such invoice or memorandum for a period of two years and such copy shall be available for inspection by the OPA.

NOTE: The record-keeping provisions of this order have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

(g) This order shall become effective immediately.

(h) This order may be revoked, amended, or corrected at any time.

Issued this 1st day of October 1946.

T. J. EDMONDS,
District Director.

Opinion Accompanying Order No. G-31 Under § 1499.18 (c), as Amended of the General Maximum Price Regulation

The accompanying order establishes adjusted maximum prices for specified types of firewood in the Bend, Oreg., Area. The adjusted maximum prices for the specified types of firewood sold to purchasers in the class specified in the accompanying order have been established under § 1499.18 (c), as amended, of the General Maximum Price Regulation.

This order supersedes and revokes the area order which has covered the territory now covered by this order. The prices established by the accompanying order were determined by the District Director, after investigation, with the help of cost data supplied in formal ap-

plications from the individual sellers in the area covered.

Firewood is the primary fuel used in the area specified in this order. It was found necessary earlier to increase the maximum prices of suppliers of the firewood covered by this order. There has been no increase allowed for such firewood in this area for a long time and there have been such increases in costs that the present maximum prices are too low to permit absorption of such increases. Such firewood must now be hauled from a greater distance than required at the time of establishment of the present area maximum prices. As a result there is a threat of a local shortage of these types of firewood if present ceiling prices are maintained.

Because of the geographical location of the area defined in the accompanying order, it is not economical to secure wood of this type from other areas.

Due to increased costs in production and distribution, sellers of these types of firewood will not be able to continue to produce firewood unless an adjustment in price is granted. The adjustment granted in the accompanying order is the minimum necessary to assist in maintaining the needed supplies of firewood in the area concerned.

Firewood is an essential commodity. The adjustment of the maximum prices chargeable for firewood will not create, or tend to create, a shortage or a need for an increase in prices in other localities. It will effectuate the purposes of the Emergency Price Control Act of 1942, as amended, and is consistent with Executive Orders No. 9250 and 9328.

[F. R. Doc. 46-20667; Filed, Nov. 20, 1946; 8:59 a. m.]

SECURITIES AND EXCHANGE COMMISSION.

[File Nos. 30-89, 59-5, 70-1308]

ARKANSAS-MISSOURI POWER CORP. ET AL.

NOTICE REGARDING FILING

At a regular session of the Securities and Exchange Commission, held at its office in the City of Philadelphia, Pa., on the 21st day of November A. D. 1946.

In the matters of Arkansas-Missouri Power Corporation, File No. 30-89; The Middle West Corporation and its subsidiary companies, Respondents, File No. 59-5; Arkansas-Missouri Power Corporation, File No. 70-1308.

Notice is hereby given that Arkansas-Missouri Power Corporation ("Arkansas"), a public utility company and a registered holding company, has filed (1) Amendment No. 4 to an application-declaration (File No. 70-1308) pursuant to the Public Utility Holding Company Act of 1935, particularly sections 12 (d) and 12 (e) thereof and Rules U-44 and U-62 thereunder, and (2) an application requesting a modification of certain portions of a prior order of the Commission under section 11 (b) (1) of the act (File No. 59-5) and requesting an order pursuant to section 5 (d) of the act declaring that Arkansas has ceased to be a holding company (File No. 30-89).

Notice is further given that any interested person may, not later than December 16, 1946, at 5:30 p. m., e. s. t., request the Commission in writing that a hearing be held on such matters, or either of them, stating the nature of his interest, the reasons for such request and the issues of fact or law raised by said filing proposed to be controverted, or may request that he be notified if the Commission should order a hearing thereon. At any time thereafter such application and declaration, as filed or as amended, may be granted and become effective, respectively, as provided in Rule U-23 of the rules and regulations promulgated pursuant to said act, or as otherwise provided under said act and rules, or the Commission may exempt such transactions as provided in Rules U-20 (a) and U-100 thereof. Any such request should be addressed: Secretary, Securities and Exchange Commission, 18th and Locust Streets, Philadelphia 3, Pennsylvania.

All interested persons are referred to said declaration and application which are on file in the office of the said Commission for a statement of the transactions therein proposed which are summarized below:

Arkansas, a Delaware corporation and a former subsidiary of The Middle West Corporation ("Middle West"), has been a registered holding company since May 13, 1937. By order dated January 24, 1944, the Commission, pursuant to section 11 (b) (1) of the act, required Arkansas to divest itself of its interest in its then subsidiary, East Missouri Power Company, its electric properties in and around Piedmont, Missouri, and between Arcadia and Old Mines, Missouri, and its ice properties and business. At the same time Middle West was required to divest itself of its interest in Arkansas. Pursuant to such order, Middle West has disposed of its interest in Arkansas and Arkansas has disposed of its interest in East Missouri Power Company. Arkansas now requests a modification of the said order of January 24, 1944, by deleting therefrom those provisions which require it to dispose of its electric properties in and around Piedmont, Missouri, and between Arcadia and Old Mines, Missouri, and its ice properties and business. Arkansas further requests the issuance of an order pursuant to section 5 (d) of the act declaring that it has ceased to be a holding company and that its registration as such shall cease to be in effect.

Arkansas further proposes to transfer its assets to Arkansas-Missouri Power Company, a corporation recently organized under the laws of the State of Arkansas, which company will assume the liabilities of Arkansas and will issue its capital stock to the stockholders of Arkansas on a share-for-share basis upon the surrender for cancellation of the outstanding shares of capital stock of Arkansas. Arkansas will then dissolve. Arkansas proposes to solicit proxies for a special meeting of its stockholders at which the proposed transactions will be considered, and it requests that its declaration with respect to such proxy solicitation be considered and disposed of independently of and prior to the principal transactions herein proposed.

By the Commission.

[SEAL] NELLYE A. THORSEN,
Assistant to the Secretary.

[F. R. Doc. 46—21063; Filed, Dec. 2, 1946; 8:50 a. m.]

[File Nos. 54-120, 59-34]

NEW ENGLAND GAS AND ELECTRIC ASSN.

ORDER GRANTING EXTENSION OF TIME

At a regular session of the Securities and Exchange Commission, held at its office in the City of Philadelphia, Pa., on the 25th day of November 1946.

In the matter of New England Gas and Electric Association, File No. 54-120; New England Gas and Electric Association, File No. 59-34.

The Commission, by order dated June 24, 1946, having approved the Amended Plan of Recapitalization filed by New England Gas and Electric Association ("New England") under section 11 (e) of the Public Utility Holding Company Act of 1935 and by order dated August 1, 1946 having permitted New England's declaration pursuant to section 7 of the act to become effective in respect to its issuance of $22,500,000 principal amount of Series A Collateral Trust Sinking Fund Bonds and 2,300,000 common shares, as provided in said amended plan; and said order dated August 1, 1946 having been issued subject, among other things, to the condition that such transactions be carried out within sixty days; and such time having been extended to November 30, 1946 by order dated October 1, 1946; and

New England having requested the time within which the transactions contemplated by the said order dated August 1, 1946 may be consummated be further extended to January 30, 1947 so that the transactions contemplated therein may be completed; and

The Commission having considered such request and deeming it appropriate that an extension of time be granted:

It is ordered, That the time within which the transactions contemplated by said order dated August 1, 1946 may be consummated be, and it is hereby, extended to January 30, 1947.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F. R. Doc. 46-21064; Filed, Dec. 2, 1946; 8:50 a. m.]

[File No. 812-384]

BANKERS SECURITIES CORP.

NOTICE OF APPLICATION, STATEMENT OF ISSUES, ORDER FOR HEARING

At a regular session of the Securities and Exchange Commission, held at its office in the City of Philadelphia, Pennsylvania, on the 26th day of November A. D. 1946.

Notice is hereby given that Bankers Securities Corporation ("Bankers") has

filed an application pursuant to section 6 (c) of the Investment Company Act of 1940 for an order of the Commission exempting Bankers from the requirements of Rule N–17F–2 (1) of the general rules and regulations under the act that its securities be deposited in a vault or other depository maintained by a bank or other company whose functions and physical facilities are supervised by Federal or State authority and the requirements of Rule N–17F–2 (9) of the general rules and regulations under the act that Bankers' securities which are stocks or other equity securities be registered or recorded in the name of Bankers within thirty days after acquisition. Bankers represents that the requested exemptions are necessary or appropriate within the standards set forth in section 6 (c) of the act.

Bankers is a closed-end, management, non-diversified investment company and is registered under the Investment Company Act of 1940. It proposes, if its application is granted, to maintain its securities and similar investments in a vault located on its premises at the northeast corner of Walnut and Juniper Streets, Philadelphia, Pennsylvania. These premises were originally constructed about 1927 for the use of a banking institution under the laws of Pennsylvania. It also proposes, if its application is granted, to register or record its stocks and other equity securities in the name of a nominee of Bankers. Bankers proposes to comply with the provisions of Rules N–17F–2 (2) to N–17F–2 (8), inclusive, adopted pursuant to section 17 (f) of the act.

All interested persons are referred to said application which is on file in the offices of the Commission for a more detailed statement of the matters of fact and law asserted.

The Corporation Finance Division of the Commission has advised the Commission that, upon a preliminary examination of the application, it deems the following issues to be raised thereby without prejudice to the specification of additional issues upon further examination:

(1) Whether and the extent to which an order permitting maintenance by Bankers of its securities and similar investments in the manner proposed and registration of its stocks and other equity securities in the name of a nominee of Bankers is necessary or appropriate in the public interest and consistent with the protection of investors and with the purposes fairly intended by the policy and provisions of the act; and the extent and content of appropriate provisions with respect to the earmarking, segregation and hypothecation of such securities and investments and for periodic or other inspections by independent public accountants, employees and agents of the Commission and such other persons as the Commission may designate;

(2) Whether and the extent to which it is necessary for the protection of investors to condition any order granting the exemption.

It appearing to the Commission that a hearing upon the application is necessary and appropriate;

It is ordered, Pursuant to section 40 (a) of said act, that a public hearing on the matter be held on December 18, 1946 at 10:00 a. m., eastern standard time, in Room 318 in the Securities and Exchange Commission Building, 18th and Locust Streets, Philadelphia 3, Pennsylvania;

It is further ordered, That William W. Swift or any other officer or officers of the Commission designated by it for that purpose shall preside at the hearing and any officer or officers so designated to preside at any such hearing is hereby authorized to exercise all the powers granted to the Commission under sections 41 and 42 (b) of the Investment Company Act of 1940 and to hearing officers under the Commission's rules of practice.

Notice of such hearing is hereby given to the above-named applicant, Bankers Securities Corporation, and to any other person or persons whose participation in such proceedings may be in the public interest or for the protection of investors. Any person desiring to be heard or otherwise desiring to participate in the proceeding should file with the Secretary of the Commission, on or before December 16, 1946, his application therefor as provided by Rule XVII of the rules of practice of the Commission, setting forth therein any of the above issues of law or fact which he desires to controvert and any additional issues he deems raised by the aforesaid applications.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F. R. Doc. 46–21065; Filed, Dec. 2, 1946; 8:51 a. m.]

UNITED STATES MARITIME COMMISSION.

"E. M. DALGAS"

DETERMINATION OF VESSEL OWNERSHIP

Notice of determination by Administrator, War Shipping Administration, pursuant to section 3 (b) of the act approved March 24, 1943 (Public Law 17—78th Congress).

Whereas the title to the vessel "E. M. Dalgas" of Danish registry was requisitioned pursuant to the act of June 6, 1941 (Public Law 101—Seventy-seventh Congress; 55 Stat. 242), as amended, on or about July 12, 1941; and

Whereas section 3 (b) of the Act approved March 24, 1943 (Public Law 17—78th Congress; 57 Stat. 45), provides in part as follows:

(b) The Administrator, War Shipping Administration, may determine at any time prior to the payment in full or deposit in full with the Treasurer of the United States, or the payment or deposit of 75 per centum, of just compensation therefor, that the ownership of any vessel (the title to which has been requisitioned pursuant to section 902 of the Merchant Marine Act, 1936, as amended, or the act of June 6, 1941 (Pub. Law 101, 77th Congress)), is not required by the United States and after such determination has been made and notice thereof has been published in the FEDERAL REGISTER, the use rather than the title to such vessel shall be deemed to have been requisitioned for all purposes as of the date of the original taking: *Provided however*, That no such determination shall be made with respect to any vessel after the expiration of a period of two months after the date of delivery of such vessel pursuant to title requisition except with the consent of the owner, * * *

and

Whereas neither the full amount nor 75 per centum of just compensation for such vessels has been paid or deposited with the Treasurer of the United States; and

Whereas the former owner of the said vessel has consented to a determination that the use of the vessel is no longer required by the United States and to the return of the vessel and the conversion of the requisition of title thereto to a requisition of the use thereof in accordance with the act approved March 24, 1943 (Public Law 17—78th Congress);

Whereas section 202 of the Act of July 8, 1946 (Public Law 492—79th Congress), provides that effective September 1, 1946, and continuing only during the period ending December 31, 1946, "all functions, powers, and duties of the War Shipping Administration, including all of the foregoing provisions in this act relating to said Administration are hereby transferred to and shall be exercised by the United States Maritime Commission under the same legal authorities and subject to the same conditions and limitations not otherwise altered by the foregoing provisions in this act relating to said Administration, as will be applicable to the War Shipping Administration on August 30, 1946, and the War Shipping Administration shall cease to exist as of September 1, 1946;"

Now, therefore, I, A. J. Williams, Secretary, United States Maritime Commission, do hereby certify that on August 28, 1946, the Administrator, War Shipping Administration, acting pursuant to the act approved March 24, 1943 (Public Law 17—78th Congress), determined that the ownership of said vessel is not required by the United States and that from and after the date of publication hereof in the FEDERAL REGISTER, the use rather than the title to such vessel shall be deemed to have been requisitioned, for all purposes, as of the date of the original taking.

Dated: November 27, 1946.

[SEAL] A. J. WILLIAMS,
Secretary,
United States Maritime Commission.

[F. R. Doc. 46–21103; Filed, Dec. 2, 1946; 8:46 a. m.]

"P. N. DAMM"

DETERMINATION OF VESSEL OWNERSHIP

Notice of determination by Administrator, War Shipping Administration, pursuant to section 3 (b) of the act approved March 24, 1943 (Public Law 17, 78th Congress).

Whereas the title to the vessel "P. N. Damm" of Danish registry was requisitioned pursuant to the Act of June 6, 1941 (Public Law 101—Seventy-Seventh Congress; 55 Stat. 242), as amended, on or about July 12, 1941; and

Whereas section 3 (b) of the act approved March 24, 1943 (Public Law 17—78th Congress; 57 Stat. 45), provides in part as follows:

(b) The Administrator, War Shipping Administration, may determine at any time prior to the payment in full or deposit in full with the Treasurer of the United States, or the payment or deposit of 75 per centum, of just compensation therefor that the ownership of any vessel (the title to which has been requisitioned pursuant to section 902 of the Merchant Marine Act, 1936, as amended, or the act of June 6, 1941 (Public Law 101, Seventy-seventh Congress)), is not required by the United States, and after such determination has been made and notice thereof has been published in the FEDERAL REGISTER, the use rather than the title to such vessel shall be deemed to have been requisitioned for all purposes as of the date of the original taking: *Provided, however,* That no such determination shall be made with respect to any vessel after the expiration of a period of two months after the date of delivery of such vessel pursuant to title requisition except with the consent of the owner * * *;

and

Whereas neither the full amount nor 75 per centum of just compensation for such vessel has been paid or deposited with the Treasurer of the United States; and

Whereas the former owner of the said vessel has consented to a determination that the use of the vessel is no longer required by the United States and to the return of the vessel and the conversion of the requisition of title thereto to a requisition of the use thereof in accordance with the act approved March 24, 1943 (Public Law 17—78th Congress); and

Whereas section 202 of the act of July 8, 1946 (Public Law 492, 79th Congress), provides that effective September 1, 1946, and continuing only during the period ending December 31, 1946, "all functions, powers, and duties of the War Shipping Administration, including all of the foregoing provisions in this Act relating to said Administration are hereby transferred to and shall be exercised by the United States Maritime Commission under the same legal authorities and subject to the same conditions and limitations not otherwise altered by the foregoing provisions in this act relating to said Administration, as will be applicable to the War Shipping Administration on August 30, 1946, and the War Shipping Administration shall cease to exist as of September 1, 1946";

Now, therefore, I, A. J. Williams, Secretary, United States Maritime Commission, do hereby certify that on January 15, 1946, the Administrator, War Shipping Administration, acting pursuant to the Act approved March 24, 1943 (Public Law 17, 78th Congress), determined that the ownership of said vessel is not required by the United States and that from and after the date of publication hereof in the FEDERAL REGISTER, the use rather than the title to such vessel shall be deemed to have been requisitioned, for all purposes, as of the date of the original taking.

Dated: November 27, 1946.

[SEAL] A. J. WILLIAMS,
Secretary,
United States Maritime Commission.

[F. R. Doc. 46-21105; Filed, Dec. 2, 1946; 8:46 a. m.]

"GEORGIA"

DETERMINATION OF VESSEL OWNERSHIP

Notice of determination by Administrator, War Shipping Administration, pursuant to Section 3 (b) of the act approved March 24, 1943 (Public Law 17—78th Congress).

Whereas the title to the vessel "Georgia" of Danish registry was requisitioned pursuant to the Act of June 6, 1941 (Public Law 101—Seventy-seventh Congress; 55 Stat. 242), as amended, on or about July 12, 1941; and

Whereas section 3 (b) of the act approved March 24, 1943 (Public Law 17—78th Congress; 57 Stat. 45), provides in part as follows:

(b) The Administrator, War Shipping Administration, may determine at any time prior to the payment in full or deposit in full with the Treasurer of the United States, or the payment or deposit of 75 per centum, of just compensation therefor that the ownership of any vessel (the title to which has been requisitioned pursuant to section 902 of the Merchant Marine Act, 1936, as amended, or the act of June 6, 1941 (Public Law 101, Seventy-seventh Congress)), is not required by the United States, and after such determination has been made and notice thereof has been published in the FEDERAL REGISTER, the use rather than the title to such vessel shall be deemed to have been requisitioned for all purposes as of the date of the original taking: *Provided, however,* That no such determination shall be made with respect to any vessel after the expiration of a period of two months after the date of delivery of such vessel pursuant to title requisition except with the consent of the owner; * * *

and

Whereas neither the full amount nor 75 per centum of just compensation for such vessel has been paid or deposited with the Treasurer of the United States; and

Whereas the former owner of the said vessel has consented to a determination that the use of the vessel is no longer required by the United States and to the return of the vessel and the conversion of the requisition of title thereto to a requisition of the use thereof in accordance with the act approved March 24, 1943 (Public Law 17—78th Congress); and

Whereas section 202 of the act of July 8, 1946 (Public Law 492—79th Congress), provides that effective September 1, 1946, and containing only during the period ending December 31, 1946, "all functions, powers, and duties of the War Shipping Administration, including all of the foregoing provisions in this Act relating to said Administration are hereby transferred to and shall be exercised by the United States Maritime Commission under the same legal authorities and subject to the same conditions and limitations not otherwise altered by the foregoing provisions in this Act relating to said Administration, as will be applicable to the War Shipping Administration on August 30, 1946, and the War Shipping Administration shall cease to exist as of September 1, 1946";

Now, therefore, I, A. J. Williams, Secretary, United States Maritime Commission, do hereby certify that on January 15, 1946, the Administrator, War Shipping Administration, acting pursuant to the Act approved March 24, 1943 (Public Law 17—78th Congress), determined that the ownership of said vessel is not required by the United States and that from and after the date of publication hereof in the FEDERAL REGISTER, the use rather than the title to such vessel shall be deemed to have been requisitioned, for all purposes, as of the date of the original taking.

Dated: November 27, 1946.

[SEAL] A. J. WILLIAMS,
Secretary,
United States Maritime Commission.

[F. R. Doc. 46-21106; Filed, Dec. 2, 1946; 8:45 a. m.]

"TUNIS"

DETERMINATION OF VESSEL OWNERSHIP

Notice of determination by Administrator, War Shipping Administration, pursuant to section 3 (b) of the act approved March 24, 1943 (Public Law 17, 78th Congress).

Whereas the title to the vessel "Tunis" of Danish registry was requisitioned pursuant to the act of June 6, 1941 (Public Law 101—Seventy-Seventh Congress; 55 Stat. 242), as amended, on or about July 21, 1941; and

Whereas section 3 (b) of the act approved March 24, 1943 (Public Law 17—78th Congress; 57 Stat. 45), provides in part as follows:

(b) The Administrator, War Shipping Administration, may determine at any time prior to the payment in full or deposit in full with the Treasurer of the United States, or the payment or deposit of 75 per centum, of just compensation therefor that the ownership of any vessel (the title to which has been requisitioned pursuant to section 902 of the Merchant Marine Act, 1936, as amended, or the act of June 6, 1941 (Public Law 101, Seventy-seventh Congress)), is not required by the United States, and after such determination has been made and notice thereof has been published in the FEDERAL REGISTER, the use rather than the title to such vessel shall be deemed to have been requisitioned for all purposes as of the date of the original taking: *Provided, however,* That no such determination shall be made with respect to any vessel after the expiration of a period of two months after the date of delivery of such vessel pursuant to title requisition except with the consent of the owner; * * *

and

Whereas neither the full amount nor 75 per centum of just compensation for such vessel has been paid or deposited with the Treasurer of the United States; and

Whereas the former owner of the said vessel has consented to a determination that the use of the vessel is no longer required by the United States and to the return of the vessel and the conversion of the requisition of title thereto to a requisition of the use thereof in accordance with the act approved March 24, 1943 (Public Law 17—78th Congress); and

Whereas section 202 of the act of July 8, 1946 (Public Law 492—79th Congress), provides that effective September 1, 1946, and continuing only during the period ending December 31, 1946, "all functions,

powers, and duties of the War Shipping Administration, including all of the foregoing provisions in this Act relating to said Administration are hereby transferred to and shall be exercised by the United States Maritime Commission under the same legal authorities and subject to the same conditions and limitations not otherwise altered by the foregoing provisions in this Act relating to said Administration, as will be applicable to the War Shipping Administration on August 30, 1946, and the War Shipping Administration shall cease to exist as of September 1, 1946;"

Now, therefore, I, A. J. Williams, Secretary, United States Maritime Commission, do hereby certify that on January 15, 1946, the Administrator, War Shipping Administration, acting pursuant to the act approved March 24, 1943 (Public Law 17—78th Congress), determined that the ownership of said vessel is not required by the United States and that from and after the date of publication hereof in the FEDERAL REGISTER, the use rather than the title to such vessel shall be deemed to have been requisitioned, for all purposes, as of the date of the original taking.

Dated: November 27, 1946.

[SEAL] A. J. WILLIAMS,
Secretary,
United States Maritime Commission.

[F. R. Doc. 46-21107; Filed, Dec. 2, 1946; 8:46 a. m.]